



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Mackenzie Costs Impact Third Quarter 2010 Results

November 12, 2010, Vancouver, B.C. - Conifex Timber Inc. ("Conifex" or the "Company") (TSX-V: CFF) today reported a net loss of \$2.9 million or \$0.19 per share for the third quarter of 2010 compared to a net loss of \$1 million or \$0.24 per share for the third quarter of 2009. The net loss for the nine months ended September 30, 2010 was \$6.9 million or \$0.76 per share compared to a net loss of \$8.1 million or \$1.94 per share for the nine months ended September 30, 2009.

The low operating rate of 20% continued to adversely impact the financial performance of the Company throughout the third quarter of 2010. Conifex currently has initiatives underway that are expected to lift operating rates to approximately 55% of full two-shift capacity and increase annual production by about 270 million board feet by the end of the first quarter of 2011.

On November 1, 2010, the Company started manufacturing operations at one of its two recently acquired mills at Mackenzie on a one-shift basis. On a one-shift basis, the "Site II" mill can produce approximately 110 million board feet of lumber each year. At the Fort St. James mill, the completion of a major capital expenditure program by the end of the year makes feasible the addition of a second shift in early 2011. The second shift can add approximately 160 million board feet of production and is expected to bring the Company's total annual production to 420 million board feet.

The Company currently absorbs the significant fixed costs related to its timberlands and manufacturing operations that would be required to operate all three mills at full capacity. The increase in production volumes in the coming months is expected to meaningfully dilute the fixed costs per unit of lumber produced and sold.

EBITDA was (\$1.8) million for the third quarter of 2010, (\$0.9) million for the second quarter of 2010, and (\$0.4) for the third quarter of 2009. The increase in negative EBITDA for the most recent quarter compared to the prior quarter was mainly due to the higher fixed costs associated with the idled Mackenzie facilities. These costs totalled \$1.4 million in the most recent quarter versus \$0.3 million in the preceding quarter. Although the Company sold certain redundant assets at Mackenzie for proceeds of \$2.3 million, the proceeds from the sale were not included in EBITDA for the quarter. Since higher shipments at Fort St. James largely offset the impact of a 17% decline in lumber prices in the most recent quarter compared to the prior quarter, our Fort St. James EBITDA losses were slightly lower in the most recent quarter compared to the prior quarter.

The Company reported total revenues of \$14.5 million for the third quarter of 2010 and \$39.1 million for the nine months ended September 30, 2010. On a year-to-date basis, approximately 40% of total lumber revenue was derived from sales to export markets, 43% from sales to the U.S. and the remaining 18% from sales to Canada.

Conifex believes it is well positioned to realize its key short term priority to achieve positive cash flow from operations. The Company has demonstrated its capability to direct its lumber shipments to advantageous geographic markets, has undertaken a major capital program to significantly improve

operating rates and reduce unit manufacturing costs over the next few months and recently announced the appointment of a Chief Operating Officer.

Earnings Release Call

There will be a conference call held by the Company on Monday, November 15, 2010 at 8:30 AM (Pacific time) to discuss the third quarter financial and operating results. To participate in the call, please dial 416-340-2216 or toll free 866-226-1792. The call will also be available on instant replay access until December 15, 2010 by dialling 416-695-5800 or 800-408-3053 and entering participant pass code 8834082.

For further information, please contact:

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About Conifex Timber Inc.

Conifex is an independent British Columbia company formed for the purpose of investing in the forest industry in the interior region of British Columbia and elsewhere in Canada. Conifex and its subsidiaries' primary business includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing. Conifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets.

Conifex's sawmill situated in Fort St. James, British Columbia was purchased in August 2008 and commenced operations on a one-shift basis in March 2009. At this mill, Conifex intends to move to a two-shift operation in the first quarter of 2011 upon the completion of a capital expenditure program currently underway. Conifex's sawmills situated in Mackenzie, British Columbia were purchased in June 2010. On a combined basis, Conifex now owns sawmills having an annual lumber production capacity of approximately 745 million board feet on a two-shift basis, all supported by renewable forestry licences with an allowable annual cut of approximately 1.6 million cubic metres.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements". Forward-looking statements are statements that address or discuss activities, events or developments that the Company expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "projects", "will", "believes", "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements reflect the current expectations and beliefs of the Company's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of the Company or industry may be materially different from those implied by such forward-looking statements. Forward-looking statements involve significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including those matters described in Schedule "A" to the filing statement of the Company dated May 25, 2010 under the heading "Risk Factors", available on SEDAR at www.sedar.com. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.

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