



News Release

ACADIAN TIMBER INCOME FUND ANNOUNCES UNITHOLDER APPROVAL OF CONVERSION TO CORPORATION

Toronto, ONTARIO – December 22, 2009 – Acadian Timber Income Fund (“Acadian” or the “Fund”) (TSX:ADN.UN) is pleased to announce that the previously announced plan of arrangement (the “Arrangement”) pursuant to the provisions of the *Canada Business Corporations Act* involving, among others, the Fund and CellFor Inc. (“CellFor”) was approved at its special meeting of fund unitholders.

CellFor security holders have also approved the Arrangement at a special meeting held on December 16, 2009. The completion of the proposed Arrangement remains subject to the satisfaction of other conditions precedent, including, without limitation, the final order from the Ontario Superior Court of Justice approving the Arrangement. A hearing to obtain the final order is currently scheduled for December 30, 2009. If the final order is received as currently anticipated, and all other conditions are satisfied or waived as required, the Fund expects to close the Arrangement and convert to a corporation effective January 1, 2010.

Acadian Timber Income Fund is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of 2.4 million acres of land under management, Acadian is the second largest timberland operator in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to over 110 regional customers.

Acadian's units are listed for trading on the Toronto Stock Exchange under the symbol ADN.UN.

- 30 -

For further information, please visit our website at www.acadiantimber.com or contact:

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Forward-Looking Statements

This News Release contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements may contain such words as “may,” “will,” “intend,” “should,” “expect,” “believe,” “outlook,” “predict,” “remain,” “anticipate,” “estimate,” “potential,” “continue,” “plan,” “could,” “might,” “project,” “targeting” or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements regarding intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, distributions, taxes, capital expenditures, projected costs, and anticipated benefits of the proposed conversion of the Fund from an income trust to a corporation. These statements reflect management’s current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; failure to complete and realize anticipated benefits of the proposed conversion of the Fund from an income trust to a corporation, the risks associated with the availability and amount of the tax basis in connection with the proposed conversion of the Fund from an income trust to a corporation; and other risks and factors discussed under the heading “Risk Factors” in Acadian’s Annual Information Form and other filings with securities regulatory authorities available on SEDAR at www.sedar.com. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Fund. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: market conditions for timber and wood products, economic situation of key customers, and the completion of the proposed conversion of the Fund from an income trust to a corporation and the utilization of the tax basis. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, the Fund cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this News Release, and should not be relied upon as representing the Fund’s views as of any date subsequent to the date of this news release. The Fund assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as required by applicable law.