

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2010 Second Quarter Results conference call via webcast on Thursday, July 29, 2010 at 10:00 a.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 9:50 a.m. ET. The teleconference taped rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER CORP. REPORTS SECOND QUARTER RESULTS AND ANNOUNCES DECLARATION OF DIVIDEND

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – July 28, 2010 – Acadian Timber Corp. (“Acadian”) (TSX:ADN) today reported financial and operating results¹ for the three months ended June 26, 2010 (the “second quarter”).

“The market for softwood sawlogs was relatively strong during the second quarter reflecting the dramatic run-up in lumber prices experienced during the quarter”, said Reid Carter, Chief Executive Officer of Acadian. “Acadian also benefitted from year-over-year increases in the selling price of hardwood pulpwood. This strong demand from most of our customers combined with good operating conditions resulted in a positive performance for Acadian in the quarter.”

For the second quarter of 2010, Acadian generated net sales of \$12.2 million on sales volume of 270.0 thousand m³, which represents a \$6.1 million, or 100% improvement in sales revenue. This increase was driven primarily by a 72% increase in sales volume as compared to the second quarter of 2009.

EBITDA of \$1.0 million for the second quarter of 2010 was \$3.0 million higher than Acadian's EBITDA in the second quarter of 2009, while EBITDA margin increased to 8% from negative 33% in the comparable period of 2009.

For the six months ended June 26, 2010, Acadian generated net sales of \$32.6 million on sales volume of 671.0 thousand m³ as compared to net sales of \$32.3 million on sales volume of 584.7 thousand m³ in the comparable period of 2009. EBITDA of \$6.8 million during the six months ended June 26, 2010 is \$2.0 million less than the first half of 2009.

¹ This news release makes reference to earnings before interest, taxes, depletion, depreciation and amortization (“EBITDA”) and free cash flow. Management believes that EBITDA and free cash flow are key performance measures in evaluating Acadian's operations and are important in enhancing investors' understanding of the Company's operating performance. As EBITDA and free cash flow do not have a standardized meaning prescribed by Canadian GAAP, they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income and cash flow from operations, as determined in accordance with Canadian GAAP, to EBITDA and free cash flow.

² On January 1, 2010, Acadian Timber Income Fund completed a plan of arrangement which allowed for its conversion from an income trust to a corporation. Subsequent to the conversion, Acadian began operating as Acadian Timber Corp. Comparative results for the six-month period ended June 27th, 2009 reflect the results of Acadian Timber Income Fund and results for the first quarter of 2010 reflect the results of Acadian Timber Corp. References to “dividends”, “free cash flow” and “shareholders” reflect distributions, distributable cash from operations and unitholders, respectively, of Acadian Timber Income Fund for the comparative period in 2009.

Review of Operations

2010 Financial and Operating Highlights

	Three Months Ended		Six Months Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
<i>(CAD millions except per unit information)</i>				
Net sales	\$ 12.2	\$ 6.1	\$ 32.6	\$ 32.3
EBITDA	1.0	(2.0)	6.8	8.8
Free cash flow	(0.3)	(2.4)	4.7	7.1
Dividends declared	0.8	3.4	1.9	6.8
Net income (loss) ¹	(1.5)	(1.6)	1.9	9.5
Per share – fully diluted				
Net Income (loss) ¹	(0.09)	(0.10)	0.11	0.31
Free cash flow	(0.02)	(0.14)	0.28	0.43
Dividends declared	0.05	0.21	0.11	0.41
Sales volume (000s m ³)	270.0	157.3	671.0	584.7

¹ Net income includes the impact of future income tax recovery, and depreciation and depletion expense, which are non-cash items recorded in each respective period. Net income for the six months ended June 27, 2009 only, included the impact of the revaluation of the Class B Interest Liability of a subsidiary.

The second quarter of each year is traditionally the weakest due to limited access to roads and timberlands as the ground thaws. Higher roadside log inventories carried from the first quarter and warm dry weather allowed for a quick return to production following spring break-up.

During the quarter Acadian reached a five year labour agreement with its New Brunswick union. This agreement provides for modest wage increases and ensures a stable labour environment through 2015

Included in the net income for the three month period ended June 26, 2010 is a non-cash future income tax expense of \$0.4 million (2009 – recovery of \$1.4 million). The future income tax asset of Acadian is based on differences between the financial reporting and tax basis of assets and liabilities of its subsidiaries, which have been measured using the substantially enacted tax rates and laws that are expected to be in effect at the time the differences are anticipated to reverse. The reduction in the future income tax asset, and related expense, recorded during the period is largely a result of changes in the timing of when the differences are anticipated to reverse.

The first half of 2009 included a non-cash gain related to the Class B Interest Liability of a subsidiary. On February 3, 2009, an affiliate of Brookfield Asset Management Inc. converted all units representing the Class B Interest Liability into Class A Units of the Fund on a one-for-one basis. For the six-month period ended June 27, 2009, the revaluation of this interest resulted in a gain of \$4.7 million. The gain was comprised of a \$4.1 million mark-to-market gain plus an additional \$0.6 million foreign exchange gain due to the weakening of the Canadian currency in the quarter.

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended June 26, 2010			Three Months Ended June 27, 2009		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m³)	Sales (000s m³)	Results (millions)
Softwood	71.6	72.4	\$ 3.9	36.3	41.2	\$ 2.5
Hardwood	73.0	99.1	5.7	34.0	70.1	3.0
Biomass	50.2	50.1	0.4	33.0	33.0	0.5
	194.8	221.6	10.0	103.3	144.3	6.0
Other sales			(0.2)			(0.3)
Net sales			\$ 9.8			\$ 5.7
EBITDA			\$ 1.0			\$ (0.8)
EBITDA margin			10%			(14)%

	Six Months Ended June 26, 2010			Six Months Ended June 27, 2009		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m³)	Sales (000s m³)	Results (millions)
Softwood	205.8	194.6	\$ 10.2	210.5	193.1	\$ 11.6
Hardwood	213.9	240.8	13.4	157.8	163.3	8.1
Biomass	108.2	108.1	1.6	96.4	96.4	2.0
	527.9	543.5	25.2	464.7	452.8	21.7
Other sales			1.0			2.2
Net sales			\$ 26.2			\$ 23.9
EBITDA			\$ 6.1			\$ 7.0
EBITDA margin			23%			29%

Softwood, hardwood and biomass shipments were 72 thousand m³, 99 thousand m³ and 50 thousand m³, respectively, for the second quarter of 2010. Approximately 36% was sold as sawlogs, 41% as pulpwood and 23% as biomass. This compares to 31% sold as sawlogs, 46% as pulpwood and 23% as biomass in the second quarter of 2009.

Net sales for the second quarter of 2010 was \$9.8 million (2009 – \$5.7 million) with an average selling price across all products of \$44.74 per m³ which compares to an average selling price of \$41.49 per m³ during the second quarter of 2009. The year-over-year increase in the average selling price resulted from very active hardwood pulpwood markets in 2010 in addition to a higher proportion of high-value spruce-fir sawlog harvest. Net sales for the first six months ended June 26, 2010 was \$26.2 million, an increase of \$2.3 million over the first half of 2009.

Costs for the second quarter were \$8.8 million (2009 – \$6.5 million). Variable costs per m³ were 7% lower than the second quarter of 2009 as a result of shorter hauling distances.

EBITDA for the second quarter was \$1.0 million, compared to negative \$0.8 million in the comparable period of 2009. For the six months ended June 26, 2010, EBITDA was \$6.1 million as compared to \$7.0 million for the first half of 2009. EBITDA margin increased to 10%, as compared to negative 14% for the second quarter of 2009, primarily reflecting the impact of increased sales volume, higher prices and higher value species mix.

During the second quarter of 2010, NB Timberlands experienced no recordable safety incidents among employees and one recordable incident among contractors from which the individual has fully recovered.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	<i>Three Months Ended June 26, 2010</i>			<i>Three Months Ended June 27, 2009</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	32.9	33.0	\$ 1.7	5.0	6.2	\$ 0.1
Hardwood	10.9	11.7	0.7	1.9	2.7	0.2
Biomass	3.7	3.7	—	4.1	4.1	—
	47.5	48.4	2.4	11.0	13.0	0.3
Other sales			—			0.1
Net sales			\$ 2.4			\$ 0.4
EBITDA			\$ 0.2			\$ (0.6)
EBITDA margin			8%			(150)%

	<i>Six Months Ended June 26, 2010</i>			<i>Six Months Ended June 27, 2009</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	93.9	93.6	\$ 4.8	113.8	111.1	\$ 7.5
Hardwood	28.2	27.9	1.4	11.7	11.3	0.6
Biomass	6.0	6.0	0.1	9.5	9.5	0.1
	128.1	127.5	6.3	135.0	131.9	8.2
Other sales			0.1			0.2
Net sales			\$ 6.4			\$ 8.4
EBITDA			\$ 1.4			\$ 2.7
EBITDA margin			22%			32%

Softwood, hardwood and biomass shipments were 33 thousand m³, 12 thousand m³ and 4 thousand m³, respectively, for the second quarter of 2010. Approximately 49% was sold as sawlogs, 43% as pulpwood and 8% as biomass. This compares to 25% sold as sawlogs, 44% as pulpwood and 31% as biomass in the second quarter of 2009.

Net sales for the second quarter of 2010 was \$2.4 million (2009 – \$0.4 million) with an average selling price across all products of \$47.79 per m³ which compares to an average selling price of \$41.28 per m³ during the second quarter of 2009. This variance in sales price is primarily the result of a higher value product mix driven by a greater proportion of and higher pricing for hardwood pulpwood and a significant decrease in the proportion of biomass sales. A stronger Canadian/U.S. dollar exchange rate quarter-over-quarter reduced the benefit of these market changes in Canadian dollar terms. Net sales for the first six months ended June 26, 2010 was \$6.4 million, a decrease of \$2.0 million over the first half of 2009.

Costs for the second quarter were \$2.2 million (2009 – \$1.0 million). Variable costs per unit increased 45% in Canadian dollar terms and 16% in U.S. dollar terms. This increase reflects increased hauling distances as most of the few sales made in the second quarter of 2009 were made from the woodyard.

EBITDA for the second quarter was \$0.2 million, compared to negative \$0.6 in the comparable period of 2009. For the six months ended June 26, 2010, EBITDA was \$1.4 million as compared to \$2.7 million for the first half of 2009. EBITDA margin averaged 8% in the second quarter of 2010 as compared to negative 150% during the second quarter of 2009, reflecting increased sales volume, higher prices and the higher value softwood sawlog percentage in the species mix.

We are pleased to report that during the second quarter of 2010, Maine Timberlands experienced no recordable safety incidents among employees or contractors.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for fiscal 2010. Reference should be made to the "Forward-looking Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our management's discussion and analysis (MD&A) of Acadian Timber Income Fund's most recent Annual Report and Acadian Timber Corp.'s Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

Despite the positive influences of low U.S. new home inventories, continued high home affordability and the run-up in lumber prices during the second quarter, the market for softwood sawlogs is expected to continue to experience weak demand and soft pricing through 2010 and into 2011. This view continues to reflect the large number of homes in foreclosure or seriously delinquent as well as the high number of vacant homes. U.S. housing starts are expected to be below 600,000 in 2010 and then recover modestly in 2011. Acadian has benefited from the return to operation of many of its softwood sawmilling customers and many of these customers entered the second quarter with relatively low log inventories supporting near-term demand; however, for the reasons stated above, we remain cautious in our outlook for softwood sawlog demand.

Markets for hardwood sawlogs remain stable with modest price recovery to date in 2010. This stable market situation is expected to continue for the foreseeable future. Acadian has benefited from the current strong markets for pulp with demand and pricing improving over the past three quarters. While consensus expectations appear to forecast softening pulp markets during the second half of 2010, Acadian's major hardwood pulpwood customers are currently operating and taking deliveries and we expect prices to remain stable through the third quarter with a likely softening of demand late in the year. Acadian continues to be able to sell all of its biomass.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.05 per share, payable on October 15, 2010 to shareholders of record on September 30, 2010.

Acadian Timber Corp. 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 shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

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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 Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), 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," "expect," "believe," "outlook," "remain," "anticipate," "continue," "plan," "could," or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. 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; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 26, 2010 and the Management Information Circular dated March 26, 2010, and other filings of Acadian with securities regulatory authorities, which are 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 Acadian. 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: anticipated financial performance; business prospects; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on commodity prices, market conditions for timber and wood products, and the economic situation of key customers.. 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, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. Certain statements in this New Release may also be considered "financial outlook" for the purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this News Release. The forward-looking statements in this News Release are made as of the date of this News Release, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.

Acadian Timber Corp.
Interim Consolidated Balance Sheet
(unaudited)

<i>As at</i> <i>(CAD millions)</i>	June 26, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1.3	\$ 2.1
Accounts receivable and other assets	7.3	6.2
Note receivable	—	4.0
Inventory	1.6	1.8
Future income tax asset	1.6	—
	11.8	14.1
Intangible assets	6.1	6.1
Timberlands, logging roads and fixed assets	186.1	190.0
Future income tax asset	15.1	—
	\$ 219.1	\$ 210.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4.3	\$ 4.3
Dividends payable to shareholders	0.8	—
Debt	76.8	—
Deferred credit	1.3	—
	83.2	4.3
Deferred credit	19.5	—
Future income tax liability	4.7	13.9
Long-term debt	—	80.7
Shareholders' equity	111.7	111.3
	\$ 219.1	\$ 210.2

Acadian Timber Corp.
Interim Consolidated Statement of Comprehensive Income (Loss)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
<i>CAD millions</i>				
Net income (loss)	\$ (1.5)	\$ (1.6)	\$ 1.9	\$ 9.5
Other comprehensive loss				
Unrealized foreign currency translation income (loss)	0.2	(3.0)	(0.6)	(2.8)
Comprehensive income (loss)	\$ (1.3)	\$ (4.6)	\$ 1.3	\$ 6.7

Acadian Timber Corp.
Interim Consolidated Statement of Operations and Deficit
(unaudited)

<i>CAD millions</i>	Three Months Ended		Six Months Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
Net sales	\$ 12.2	\$ 6.1	\$ 32.6	\$ 32.3
Operating costs and expenses				
Cost of sales	9.6	6.1	22.4	19.8
Selling, administration and other	1.6	2.0	3.4	3.7
Depreciation and depletion	1.1	0.7	3.2	4.3
	12.3	8.8	29.0	27.8
Operating earnings (loss)	(0.1)	(2.7)	3.6	4.5
Gain on Class B Interest Liability of a subsidiary	—	—	—	(4.7)
Interest:				
Interest expense on long-term debt	1.0	0.7	1.8	1.6
Class B Interest Liability of a subsidiary	—	—	—	0.3
Earnings (loss) before income taxes	(1.1)	(3.4)	1.8	7.3
Income tax recovery (expense)				
Current	—	0.4	—	—
Future	(0.4)	1.4	0.1	2.2
Net income (loss) for the period	(1.5)	(1.6)	1.9	9.5
Deficit, beginning of period	(20.7)	(12.9)	(23.0)	(20.9)
Shareholders' dividends declared	(0.8)	(3.4)	(1.9)	(6.5)
Deficit, end of period	\$ (23.0)	\$ (17.9)	\$ (23.0)	\$ (17.9)
Net income (loss) per share – basic	\$ (0.09)	\$ (0.10)	\$ 0.11	\$ 0.60
Net income (loss) per share – diluted	\$ (0.09)	\$ (0.10)	\$ 0.11	\$ 0.31

Acadian Timber Corp.
Interim Consolidated Statement of Cash Flows
(unaudited)

	Three Months Ended		Six Months Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
<i>CAD millions</i>				
Cash provided by (used for):				
Operating activities				
Net income (loss)	\$ (1.5)	\$ (1.6)	\$ 1.9	\$ 9.5
Items not affecting cash:				
Future income tax expense (recovery)	0.4	(1.4)	(0.1)	(2.2)
Depreciation and depletion	1.1	0.7	3.2	4.3
Gain on Class B Interest Liability of a subsidiary	—	—	—	(4.7)
	—	(2.3)	5.0	6.9
Net change in non-cash working capital balances and other	(2.5)	(0.8)	(0.9)	(2.8)
	(2.5)	(3.1)	4.1	4.1
Investing activities				
Additions to timberlands, logging roads and fixed assets	(0.3)	(0.1)	(0.3)	(0.1)
Silviculture expenditures	—	—	—	—
	(0.3)	(0.1)	(0.3)	(0.1)
Financing activities				
Repayment of credit facility	(1.2)	—	(3.5)	—
Dividends paid to shareholders	(0.8)	(3.4)	(1.1)	(6.5)
	(2.0)	(3.4)	(4.6)	(6.5)
Decrease in cash and cash equivalents during the period	(4.8)	(6.6)	(0.8)	(2.5)
Cash and cash equivalents, beginning of period	6.1	13.1	2.1	9.0
Cash and cash equivalents, end of period	\$ 1.3	\$ 6.5	\$ 1.3	\$ 6.5

Reconciliation to EBITDA and Free Cash Flow

<i>CAD millions</i>	Three Months Ended		Six Months Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
Net income (loss) ¹	\$ (1.5)	\$ (1.6)	\$ 1.9	\$ 9.5
Add (deduct):				
Interest expense on debt	1.0	0.7	1.8	1.6
Distribution on Class B Interest Liability of a subsidiary	—	—	—	0.3
Income tax expense (recovery)	0.4	(1.8)	(0.1)	(2.2)
Depreciation and depletion	1.1	0.7	3.2	4.3
Non-cash loss (gain) on Class B Interest Liability of a subsidiary	—	—	—	(4.7)
EBITDA	1.0	(2.0)	6.8	8.8
Add (deduct):				
Interest expense on long-term debt	(1.0)	(0.7)	(1.8)	(1.6)
Silviculture and capital expenditures	(0.3)	(0.1)	(0.3)	(0.1)
Current income tax recovery	—	0.4	—	—
Free cash flow	\$ (0.3)	\$ (2.4)	\$ 4.7	\$ 7.1
Dividends declared	\$ 0.8	\$ 3.4	\$ 1.9	\$ 6.8

¹ Net income includes the impact of future income tax recovery, and depreciation and depletion expense, which are non-cash items recorded in each respective period. Net income for the six months ended June 27, 2009 only, included the impact of the revaluation of the Class B Interest Liability of a subsidiary.