



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2011 Fourth Quarter Results conference call via webcast on Tuesday, February 7, 2012 at 1:00 p.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 12:50 p.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 FOURTH QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – February 6, 2012 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended December 31, 2011 (the “fourth quarter”).

For the fourth quarter of 2011, Acadian generated net sales of \$15.1 million on sales volume of 284 thousand m³, which represents a \$5.4 million, or 26%, decrease in net sales compared to the same period in 2010.

EBITDA of \$3.8 million for the fourth quarter of 2011 was \$2.6 million lower than in the fourth quarter of 2010, and EBITDA margin decreased to 25% from 31% in the same period of last year. The decrease in margin is attributed to lower contributions to fixed costs resulting from reduced sales volume.

For the year ended December 31, 2011, Acadian generated net sales of \$66.2 million on sales volume of 1,293 thousand m³ as compared to net sales of \$71.0 million on sales volume of 1,399 thousand m³ in 2010. EBITDA of \$15.5 million during the year ended December 31, 2011 is \$2.2 million lower than 2010 reflecting lower overall sales volume and higher costs in the Maine Timberlands operation due to renegotiated contractor rates.

“Acadian’s operations were challenged in 2011 by an unusually wet summer and fall and reduced contractor availability in our Maine operations both of which led to lower harvest and sales volumes” said Reid Carter, Chief Executive Officer of Acadian. Mr. Carter further noted that “Despite these challenges, Acadian continued to benefit from strong demand and pricing for its hardwood and softwood pulpwood, good markets for its hardwood specialty sawlogs and reasonable markets for most of its softwood sawlogs.”

¹ This news release makes reference to EBITDA and free cash flow which are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of Acadian’s operating performance. Acadian’s management defines EBITDA as earnings before interest, taxes, fair value adjustments, unrealized exchange gain/loss on debt, depreciation and amortization. For the year ended December 31, 2010 only, EBITDA was adjusted to remove the gain on corporate conversion. As these performance measures do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”), 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, as determined in accordance with IFRS, to EBITDA and free cash flow.

Review of Operations

Financial and Operating Highlights

	Three Months Ended		Year Ended	
	Dec 31, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	283.6	381.9	1,293.4	1,398.7
Net sales	\$ 15,139	\$ 20,581	\$ 66,153	\$ 70,996
EBITDA	3,843	6,393	15,527	17,775
Free cash flow	2,239	5,358	12,437	13,554
Dividends declared	3,451	836	13,804	3,625
Net income ¹	11,427	2,622	13,759	31,306
Per share – fully diluted				
Net income ¹	0.68	0.16	0.82	1.87
Free cash flow	0.13	0.32	0.74	0.81
Dividends declared	0.21	0.05	0.83	0.22

¹ Net income for the year ended December 31, 2010 included the gain resulting from Acadian's corporate conversion on January 1, 2010.

The operating challenges during the year along with a continuation of the depressed log pricing environment decreased free cash flow causing Acadian's payout ratio to climb to 111% for the year ended December 31, 2011. While this exceeds our 95% target level, the current dividend rate continues to reflect our long-term view on sales volumes and the return to normalized prices.

International Financial Reporting Standards

Effective fiscal 2011, Acadian's financial results are reported in accordance with International Financial Reporting Standards ("IFRS"). Comparative figures in this press release, previously presented in Canadian generally accepted accounting principles, have been adjusted to conform to IFRS.

New Brunswick Timberlands

The tables below summarize operating and financial results for New Brunswick Timberlands:

	Three Months Ended December 31, 2011			Three Months Ended December 31, 2010		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	80.3	78.2	\$ 4,195	95.5	109.5	\$ 5,667
Hardwood	93.9	80.6	4,952	131.8	136.3	8,233
Biomass	55.3	55.3	1,145	55.2	55.1	572
	229.5	214.1	10,292	282.5	300.9	14,472
Other sales			986			1,975
Net sales			\$ 11,278			\$ 16,447
EBITDA			\$ 3,301			\$ 5,628
EBITDA margin			29%			34%

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	433.1	429.8	\$ 22,083	395.4	402.6	\$ 21,025
Hardwood	440.2	418.3	24,759	447.7	473.6	27,166
Biomass	219.5	219.5	3,575	231.5	231.4	2,852
	1,092.8	1,067.6	50,417	1,074.6	1,107.6	51,043
Other sales			3,682			4,829
Net sales			\$ 54,099			\$ 55,872
EBITDA			\$ 14,205			\$ 15,203
EBITDA margin			26%			27%

Softwood, hardwood and biomass shipments were 78 thousand m³, 81 thousand m³ and 55 thousand m³, respectively, during the fourth quarter, representing a 29% decrease in net sales volume over the same period in 2010. Strong harvest volumes in the first three quarters of 2011 aimed at capturing market opportunities resulted in Acadian reducing harvest levels in the fourth quarter to be in line with long run sustainable yield projections. Approximately 39% of sales volume was sold as sawlogs, 35% as pulpwood and 26% as biomass in the fourth quarter. This compares to 36% of sales volume sold as sawlogs, 46% as pulpwood and 18% as biomass in the fourth quarter of 2010.

Net sales for the fourth quarter totaled \$11.3 million compared to \$16.4 million for the same period last year. This was primarily the result of the decrease in sales volume due to managing Acadian's harvesting within the long run sustainable yield. The decrease in other sales reflects reduced margins from operations conducted under Acadian's timberland management services agreement as a result of higher operating and transportation costs due to harvesting in areas that are more distant from customer locations and harvesting on terrain that requires the use of higher cost logging systems. The weighted average selling price was \$48.09 in the fourth quarter of 2011, consistent with \$48.10 in the same period of 2010.

Costs for the fourth quarter were \$8.0 million, compared to \$10.8 million in the same period in 2010 as a result of lower sales volume.

EBITDA for the fourth quarter was \$3.3 million, compared to \$5.6 million in the same period in 2010, while EBITDA margin decreased from 34% to 29% largely due to the lower contribution to fixed costs resulting from reduced sales volume.

We are pleased to report that during the fourth quarter of 2011, New Brunswick Timberlands experienced no recordable safety incidents among employees or contractors.

Maine Timberlands

The tables below summarize operating and financial results for Maine Timberlands:

	<i>Three Months Ended December 31, 2011</i>			<i>Three Months Ended December 31, 2010</i>		
	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)
Softwood	47.4	47.3	\$ 2,527	55.7	55.6	\$ 2,890
Hardwood	21.4	20.3	1,266	17.2	19.1	1,135
Biomass	1.9	1.9	18	6.1	6.3	59
	70.7	69.5	3,811	79.0	81.0	4,084
Other sales			50			50
Net sales			\$ 3,861			\$ 4,134
EBITDA			\$ 878			\$ 1,208
EBITDA margin			23%			29%

	<i>Year Ended December 31, 2011</i>			<i>Year Ended December 31, 2010</i>		
	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)
Softwood	161.2	161.4	\$ 8,495	208.0	207.6	\$ 10,747
Hardwood	51.8	51.9	3,092	68.5	68.3	3,804
Biomass	12.5	12.5	116	15.1	15.2	216
	225.5	225.8	11,703	291.6	291.1	14,767
Other sales			351			357
Net sales			\$ 12,054			\$ 15,124
EBITDA			\$ 2,508			\$ 3,877
EBITDA margin			21%			26%

Softwood, hardwood and biomass shipments were 47 thousand m³, 20 thousand m³, and 2 thousand m³, respectively, with net sales volume decreasing by 14% over the fourth quarter of 2010. The decrease in sales volume reflects contractor availability constraints and unusually wet weather. Approximately 57% of sales volume was sold as sawlogs, 40% as pulpwood and 3% as biomass during the fourth quarter. This compares to 57% of sales volume sold as sawlogs, 35% as pulpwood and 8% as biomass in the fourth quarter of 2010.

Net sales for the fourth quarter totaled \$3.9 million, compared to \$4.1 million for the same period last year. The year-over-year decrease in net sales is a result of lower shipment volumes which were somewhat offset by a higher value product mix. The weighted average price across all products was \$54.84 in the fourth quarter, compared to \$50.44 in the same period of 2010, reflecting a 9% increase in Canadian dollar terms. Weighted average selling prices increased 8% in U.S. dollar terms as compared to the same period of 2010.

Costs for the fourth quarter were \$3.0 million, compared to \$2.9 million for the same period in 2010. This increase reflects higher variable costs per m³ due to renegotiated contractor rates in 2011 and unfavourable foreign exchange movement, offset partially by lower sales volume.

EBITDA for the fourth quarter was \$0.9 million, compared to \$1.2 million for the same period in 2010, while EBITDA margin decreased from 29% to 23%.

During the fourth quarter of 2011, Maine Timberlands experienced no recordable safety incidents among employees and one recordable incident among contractors.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for fiscal 2012. 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 of Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

The U.S. housing market demonstrated slightly more encouraging signals in the fourth quarter with new home sales rising 2%, sales of existing homes increasing 4% and housing starts increasing by 9%. The NAHB housing market index also rose with improved buyer traffic. At the same time the S&P/Case-Shiller 20-city house pricing index has fallen 6% over the past four months with price declines in 16 of the 20 markets surveyed. Clearly, the timing of recovery for the U.S. housing market remains uncertain. Management believes the housing recovery process will require a further two to three years before home inventories normalize and new home construction recovers to trend levels. As a result, Acadian expects markets for softwood sawlogs to remain weak through 2012 before a formative recovery begins in earnest in 2013.

Global pulp and paper markets continue to be under pressure, however, pulp production appears to have come into alignment with demand resulting in more balanced inventories with stabilizing prices suggesting pulp prices may have bottomed. Acadian's pulp customers continue to have high operating rates and markets for Acadian's pulpwood continue to be very positive providing a positive offset to weak softwood sawlog markets.

Markets for hardwood sawlogs and specialty products improved slightly or were stable through 2011 with a similar outlook for 2012. Markets for biomass are expected to be stable although weak owing to continued low power prices and very low prices for natural gas.

While the business environment continues to slowly improve, some of Acadian's significant softwood pulpwood customers have struggled with challenging market conditions for an extended period of time resulting in a weakening of their financial position. Management recognizes that the ongoing financial viability of these customers is dependent on their continued access to capital and an improved market environment. We continue to monitor these situations closely while exploring market alternatives for our logs in the event that sales to these customers decline or cease. Acadian's financial results and cash flows to fund future dividends are dependent on current harvesting levels and sales revenue.

"We expect 2012 to present improving, although uncertain, conditions and we are confident that Acadian will continue to demonstrate its adeptness in identifying and accessing market opportunities while keeping costs low. To address limited contractor availability in Maine, we have initiated strategies which we expect to result in increased harvest levels in 2012" concluded Mr. Carter.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.20625 per share, payable on April 13, 2012 to shareholders of record on March 30, 2012.

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 approximately 90 regional customers.

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

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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," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" "approximately," 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 which 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; future production volumes; concentration of customers; changes in competition; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in labour costs or other costs of production; changes in Canadian income tax law; economic situation of key customers; and other risks and factors discussed under the heading "Risk Factors" in the Annual Information Form of Acadian Timber Corp. dated March 28, 2012, available on SEDAR at www.sedar.com on or about March 28, 2012, and other filings of Acadian 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 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, which are subject to change based on commodity prices, market conditions for timber and wood products, general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency rate fluctuations; seasonality; weather and natural conditions; regulatory trade or environmental policy changes; changes in Canadian income tax law; the economic situation of key customers, and the utilization of the tax basis resulting from the conversion from an income trust to a corporation. 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 News 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. Such information has been included in the News Release to provide readers with a sense of the future financial outlook of Acadian. The forward-looking statements contained 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.
Consolidated Statements of Net Income
(unaudited)

	Three Months Ended		Year Ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<i>(CAD thousands)</i>				
Net sales	\$ 15,139	\$ 20,581	\$ 66,153	\$ 70,996
Operating costs and expenses				
Cost of sales	9,562	12,277	43,847	46,018
Selling, administration and other	1,661	1,913	6,346	7,026
Reforestation	73	—	540	217
Depreciation and amortization	139	136	548	499
	11,435	14,326	51,281	53,760
Operating earnings	3,704	6,255	14,872	17,236
Interest expense, net	(735)	(973)	(3,157)	(3,791)
Other items				
Gain on sale of timberlands	—	2	107	40
Fair value adjustments	14,076	2,439	13,501	3,950
Loss on revaluation of roads and land	(1,527)	(5,005)	(1,527)	(5,005)
Unrealized exchange gain (loss) on long -term debt	455	—	(3,473)	—
Gain on corporate conversion	—	—	—	21,086
Earnings before income taxes	15,973	2,718	20,323	33,516
Deferred income tax expense	(4,546)	(96)	(6,564)	(2,210)
Net income for the period	\$ 11,427	\$ 2,622	\$ 13,759	\$ 31,306
Net income per share – basic and diluted	\$ 0.68	\$ 0.16	\$ 0.82	\$ 1.87

Acadian Timber Corp.
Consolidated Statements of Comprehensive Income
(unaudited)

	Three Months Ended		Year Ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<i>(CAD thousands)</i>				
Net income	\$11,427	\$ 2,622	\$13,759	\$ 31,306
Other comprehensive income (loss)				
Unrealized foreign currency translation income (loss)	(575)	(1,409)	2,559	(2,917)
Amortization of derivatives designated as hedges	(51)	1,134	(321)	1,134
Gain on revaluation of roads and land	(169)	2,354	(169)	2,354
Comprehensive income	\$10,632	\$ 4,701	\$15,828	\$ 31,877

Acadian Timber Corp.
Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	December 31, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 4,019	\$ 7,333	\$ 2,053
Accounts receivable and other assets	8,726	7,252	6,265
Inventory	2,263	990	2,289
Derivative asset	—	1,557	—
Note receivable	—	—	4,001
	15,008	17,132	14,608
Timber	231,370	216,181	216,751
Land, roads and fixed assets	33,438	35,383	37,150
Intangible assets	6,140	6,140	6,140
Deferred income tax asset	3,038	7,522	—
	\$ 288,994	\$ 282,358	\$ 274,649
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	\$ 4,534	\$ 4,483	\$ 4,275
Dividends payable to shareholders	3,451	837	—
Debt	—	73,752	—
	7,985	79,072	4,275
Long term debt	73,079	—	80,739
Deferred income tax liability	21,572	18,952	34,553
Shareholders' equity	186,358	184,334	155,082
	\$ 288,994	\$ 282,358	\$ 274,649

Acadian Timber Corp.
Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended		Year Ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<i>(CAD thousands)</i>				
Cash provided by (used for):				
Operating activities				
Net income	\$ 11,427	\$ 2,622	\$ 13,759	\$ 31,306
Adjustments to net income				
Deferred income tax expense	4,546	96	6,564	2,210
Depreciation and amortization	139	136	548	499
Fair value adjustments	(14,076)	(2,439)	(13,501)	(3,950)
Loss on revaluation of roads and land	1,527	5,005	1,527	5,005
Unrealized exchange loss on long term debt	(455)	—	3,473	—
Interest expense, net	735	973	3,157	3,791
Interest paid, net	(1,584)	(973)	(3,047)	(3,791)
Gain on sale of timberlands	—	—	(107)	(40)
Gain on corporate conversion	—	—	—	(21,086)
	2,259	5,420	12,373	13,944
Net change in non-cash working capital balances and other	(2,504)	865	(325)	87
	(245)	6,285	12,048	14,031
Financing activities				
Repayment of revolving facility	—	(1,000)	—	(5,500)
Borrowing of term facility	—	—	70,608	—
Repayment of bank term credit facility and term loan	—	—	(73,639)	—
Deferred financing costs	—	(73)	(1,205)	(73)
Dividends paid to shareholders	(3,451)	(836)	(11,190)	(2,788)
	(3,451)	(1,909)	(15,426)	(8,361)
Investing activities				
Additions to timber, land, roads and fixed assets	(20)	(62)	(45)	(430)
Proceeds from sale of timberlands	—	—	109	40
	(20)	(62)	64	(390)
Increase in cash and cash equivalents during the period	(3,716)	4,314	(3,314)	5,280
Cash and cash equivalents, beginning of period	7,735	3,019	7,333	2,053
Cash and cash equivalents, end of period	\$ 4,019	\$ 7,333	\$ 4,019	\$ 7,333

Reconciliation to EBITDA and Free Cash Flow

	Three Months Ended		Year Ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<i>(CAD thousands)</i>				
Net income ¹	\$11,427	\$ 2,622	\$13,759	\$31,306
Add (deduct):				
Interest expense, net	735	973	3,157	3,791
Deferred income tax expense	4,546	96	6,564	2,210
Depreciation and amortization	139	136	548	499
Fair value adjustments	(14,076)	(2,439)	(13,501)	(3,950)
Revaluation of roads and land	1,527	5,005	1,527	5,005
Unrealized exchange (gain) loss on long term debt	(455)	—	3,473	—
Gain on corporate conversion	—	—	—	(21,086)
EBITDA	3,843	6,393	15,527	17,775
Add (deduct):				
Interest paid on debt, net	(1,584)	(973)	(3,047)	(3,791)
Capital expenditures	(20)	(62)	(45)	(430)
Proceeds on sale of timberlands	—	—	109	40
Gain on sale of timberlands	—	—	(107)	(40)
Free cash flow	\$ 2,239	\$ 5,358	\$12,437	\$13,554
Dividends declared	\$ 3,451	\$ 836	\$13,804	\$ 3,625
Payout ratio	154%	16%	111%	27%

¹ Net income for the year ended December 31, 2010 included the gain resulting from Acadian's corporate conversion on January 1, 2010.