

ACADIAN TIMBER CORP. ANNOUNCES THE COMPLETION OF THE CONVERSION OF ACADIAN TIMBER INCOME FUND TO A CORPORATION

Vancouver, BRITISH COLUMBIA – January 1, 2010 – Acadian Timber Corp. (“Acadian” or the “Corporation”) (TSX: ADN) is pleased to announce the completion of the conversion of Acadian Timber Income Fund (the “Fund”) to a corporation named Acadian Timber Corp., pursuant to a plan of arrangement (the “Arrangement”) under the *Canada Business Corporation Act*.

Effective on the closing of the Arrangement and related transactions, the Corporation now directly owns subsidiaries which own and operate the businesses which were held and operated by the Fund and its subsidiaries prior to the closing of the Arrangement. The management and trustees of the Fund are now the management and directors of the Corporation.

Pursuant to the Arrangement with CellFor Inc. (“CellFor”), unitholders of the Fund received one common share of the Corporation for each unit held on the effective date. In addition, CellFor security holders, indirectly through a newly created entity, received 159,763 shares representing a \$1.0 million retained equity interest in the Corporation. The Corporation now has 16,731,216 shares issued and outstanding.

Trading of the shares of Acadian is expected to commence on or about January 4th, 2010 on the Toronto Stock Exchange under the symbol “ADN”.

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 the Corporation, 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, taxes, capital expenditures, projected costs, and anticipated benefits of the conversion 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 realize the anticipated benefits of the conversion from an income trust to a corporation,; and other risks and factors, to the extent they remain applicable to the Corporation, discussed under the heading “Risk Factors” in the Annual Information Form and other filings with securities regulatory authorities of Acadian Timber Income Fund, predecessor reporting issuer to the Corporation, and 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 Corporation. 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 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, the Corporation 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 Corporation’s views as of any date subsequent to the date of this news release. The Corporation 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.