

Blue Wolf Capital Closes on Sale of Suwannee Lumber Company and Caddo River Forest Products to Conifex Timber Inc.

July 10, 2018, NEW YORK – Today, Blue Wolf Capital Partners (Blue Wolf), a New York-based private equity firm, announced the completion of the sale of Suwannee Lumber Company (Suwannee) and Caddo River Forest Products (Caddo) to Conifex Timber Inc. (Conifex), a publicly-traded lumber and sustainable forestry company operating in British Columbia, Canada (TSX:CFF). A portion of Blue Wolf's proceeds will be in the form of Conifex stock, and Blue Wolf will receive representation on Conifex's board.

The closing of the transaction represents a significant milestone for Suwannee and Caddo, each of which Blue Wolf acquired and invested in after the companies struggled in the wake of the financial crisis. Now that the two businesses are part of Conifex, a larger and more diversified forest products company, they are even better positioned for growth and long term success.

The success of Suwannee and Caddo represents yet another validation of Blue Wolf's investment thesis: by embracing complex situations – ones that other firms often shy away from – and by applying Environmental, Social, and Governance principles to its investments, Blue Wolf builds stronger businesses and generates superior returns.

The Story of Suwannee

In 2013, an affiliate of Blue Wolf acquired a majority stake in Suwannee, which is based in Dixie County, Florida – the least populated and lowest income county in the state. A family run business struggling in the wake of the Great Recession, Suwannee had faced a variety of challenges and had been struggling to find a suitable buyer. That's when Blue Wolf invested in the company, modernizing the facility, remediating the long standing environmental challenges, and providing new health benefits and an on-site medical clinic for employees. While other investors were dissuaded by environmental liabilities and inherent cyclicity, Blue Wolf saw an opportunity for capital investment to address the shortcomings and build a stronger business. Under Blue Wolf's ownership, Suwannee expanded production, strengthened its management and governance structure, and modernized its manufacturing facilities.

The Story of Caddo River Forest Products

Following the transformation of Suwannee Lumber Company, an affiliate of Blue Wolf acquired a controlling interest in Caddo River Forest Products, a shuttered mill in Glenwood, Arkansas. The financial crisis had caused Caddo, which employed hundreds of residents in a town of just 2,500 people, to close in 2011. The town relied on the mill as an economic driver, and when Caddo shut down, the Glenwood area and the local supply chain felt the negative effects. In 2017, Blue Wolf approached town leaders and consulted with public officials before deciding to make an investment. Within six months, Caddo reopened – a significant moment for the town – and after Blue Wolf upgraded the sawmill's equipment and improved its infrastructure, the company quickly became profitable. Production increased, over one hundred people were hired, and hundreds more indirect jobs were created in the town and the supply chain. Blue Wolf's investment has helped drive an economic revitalization in Glenwood and the surrounding communities.

Sale to Conifex

Having largely completed its value creation plan, Blue Wolf set out to find a new owner for Suwannee and Caddo with a long term orientation that would maintain local jobs, contribute to the local communities, and continue to invest in both mills. That made Conifex an ideal partner.

“The progress at Caddo and Suwannee has been a big positive in Glenwood, Arkansas and Dixie County, Florida. It has validated Blue Wolf’s approach to solving complex challenges, strengthening businesses, and delivering value to its investors,” said **Charles Miller, Partner at Blue Wolf**. “I’m proud to say that, under Blue Wolf’s leadership, both Suwannee and Caddo have been transformed into companies with a very bright future, and I look forward to continuing our work together.”

“We have been impressed by the dedicated employees at Suwannee and Caddo who have played a critical role helping both businesses achieve success,” said **Ken Shields, President and CEO at Conifex**. “We are pleased to welcome Suwannee and Caddo into the Conifex family, and we look forward to helping both businesses grow in the years to come.

With the transaction closed, Charles Miller of Blue Wolf and George Judd, Strategic Advisor to Blue Wolf, have joined the Conifex Board of Directors.

About Blue Wolf Capital Partners

Blue Wolf Capital Partners LLC is a private equity firm that specializes in control investments in middle market companies. Leading by experience, and with a commitment to excellence, Blue Wolf transforms companies strategically, operationally and collaboratively. Blue Wolf manages challenging situations and complex relationships between business, customers, employees, unions, and regulators to build value for stakeholders. For additional information, please visit www.bluewolfcapital.com.

About Conifex Timber Inc.

Conifex and its subsidiaries' primary business currently includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing and distribution. Conifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets. Conifex has expanded its operations to include bioenergy production following the commencement of commercial operations of its power generation facility at Mackenzie, British Columbia.