



Source: Stella-Jones Inc.

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Stella-Jones signs definitive agreement to acquire Kisatchie

Montréal, Québec – May 11, 2016 – Stella-Jones Inc. (“Stella-Jones”) (TSX: SJ) today announced that its wholly-owned subsidiary, McFarland Cascade Holdings, Inc., has signed a definitive agreement to purchase the equity interests of 440 Investments, LLC, the parent company of Kisatchie Treating, LLC, Kisatchie Pole & Piling, LLC, Kisatchie Trucking, LLC and Kisatchie Midnight Express, LLC (collectively, “Kisatchie”). The signature of a non-binding letter of intent in respect of the proposed acquisition was announced by Stella-Jones on February 3, 2016.

Kisatchie produces treated poles, pilings and timbers, with two wood treating facilities in Noble and Pineville, Louisiana. Kisatchie’s consolidated sales for the year ended December 31, 2015 reached approximately US\$51.8 million.

The definitive securities purchase agreement provides for a purchase price of US\$42.5 million which includes US\$10.0 million of working capital and is subject to adjustments. The transaction is expected to close during the second quarter of 2016 and is subject to customary closing conditions. Stella-Jones plans to finance the transaction through a combination of debt financing and a vendor note.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America’s railroad operators with railway ties and timbers, and the continent’s electrical utilities and telecommunication companies with utility poles. Stella-Jones also manufactures and distributes residential lumber and accessories to retailers for outdoor applications, as well as industrial products for construction and marine applications. The Company’s common shares are listed on the Toronto Stock Exchange.

Except for historical information provided herein, this press release contains information and statements of a forward-looking nature concerning the proposed acquisition described herein. These statements are based on suppositions, risks and uncertainties as well as on management's best possible evaluation of future events. Such risks and uncertainties include, without excluding other considerations, the failure to satisfy closing conditions and the failure to complete or delay in completing the proposed acquisition for any other reason. As a result, readers are advised that actual results may differ from expected results and should not place undue reliance on forward-looking information.

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EXCHANGE LISTINGS

The Toronto Stock Exchange
Stock Symbol: SJ

**TRANSFER AGENT
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INVESTOR RELATIONS

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