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Stella-Jones Announces Secondary Offering of its Common Shares

This release is intended for distribution in Canada only and is not intended for distribution to United States newswire services or for dissemination in the United States.

Montreal, Canada, January 17, 2012 – Stella-Jones Inc. ("**Stella-Jones**" or the "**Company**") (TSX: SJ) announced today that Stella-Jones and its principal shareholder, Stella Jones International S.A. ("**SJ International**"), have entered into an agreement with a syndicate of underwriters (the "**Underwriters**") pursuant to which SJ International has agreed to sell, and the Underwriters have agreed to purchase, on a bought deal basis, 2,000,000 of the Stella-Jones common shares held by SJ International at an offering price of \$42.00 per share. After giving effect to this offering, SJ International will own 6,187,909 common shares of the Company, representing approximately 38.8% of the outstanding common shares of the Company. Stella-Jones will not receive any proceeds from this offering. The underwriting syndicate is led by RBC Capital Markets.

"The offering will allow our principal shareholder to further diversify its asset portfolio while maintaining a substantial ownership interest in the company. From the other shareholders' perspective, this offering should increase liquidity of our common shares by adding 2,000,000 common shares to our public float without any dilution" said Brian McManus, Chief Executive Officer of Stella-Jones.

A preliminary short-form prospectus relating to the offering will be filed shortly with Canadian securities regulatory authorities. Closing of the offering is expected to occur on or about February 6th, 2012 and is subject to certain conditions, including the approval of the Canadian securities regulatory authorities.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation of sale would be unlawful. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. state securities laws and may not be offered or sold in the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws or pursuant to an exemption therefrom. Any public offering of the securities in the United States may only be made by means of a prospectus containing detailed information about the Company and its management as well as financial statements.

About Stella-Jones Inc.

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, timbers and recycling services; and the continent's electrical utilities and telecommunications companies with utility poles. Stella-Jones also provides industrial products and services for construction and marine applications, as well as residential lumber to retailers and wholesalers for outdoor applications. The Company's common shares are listed on the Toronto Stock Exchange.

Forward looking statements

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, the ability of the Company to raise the capital required for acquisitions, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

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EXCHANGE LISTINGS

The Toronto Stock Exchange
Stock Symbol: SJ

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