



Source: Stella-Jones Inc.

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**STELLA-JONES ANNOUNCES SECONDARY OFFERING OF COMMON
SHARES BY STELLA JONES INTERNATIONAL S.A.**

Montreal, Quebec – January 31, 2018 - Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) announced today that Stella Jones International S.A. (the “Selling Shareholder”), the Company’s principal shareholder, and the Company have entered into an agreement with a syndicate of underwriters, co-led by Morgan Stanley Canada Limited and TD Securities Inc., as joint bookrunners, relating to a secondary offering by the Selling Shareholder, on a bought deal basis, of 5,000,000 common shares of the Company at an offering price of \$48.50 per common share for gross proceeds to the Selling Shareholder of \$242,500,000. The Company will not receive any of the proceeds from the sale of common shares by the Selling Shareholder. The Selling Shareholder has also granted the underwriters an over-allotment option, exercisable for a period of 30 days following the closing date of the offering, to purchase up to an additional 750,000 common shares from the Selling Shareholder, at the offering price, to cover over-allotments, if any. If the over-allotment option is exercised in full, the Selling Shareholder will receive total gross proceeds from the offering of \$278,875,000.

Immediately following the completion of the offering, but before giving effect to the exercise of the over-allotment option, the Selling Shareholder will own approximately 31.1% of the issued and outstanding common shares of the Company.

“As principal shareholder in Stella-Jones, we have decided to diversify our investment portfolio while remaining a major shareholder of the Company,” said Mr. Gianni Chiarva, Chairman of Stella Jones International S.A.

A preliminary short form prospectus relating to the offering will be filed shortly with Canadian securities regulatory authorities in each of the provinces of Canada. Closing of the offering is expected to occur on or about February 21, 2018 and is subject to conditions.

This news release is not an offer of securities for sale in the United States. The securities being offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction, except pursuant to an exemption from the registration requirements of that Act.

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.

This press release may contain information and statements of a forward-looking nature. 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

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.

INVESTOR RELATIONS

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