



Source: Stella-Jones Inc.

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Stella-Jones signs letter of intent to acquire Thompson Industries

Montréal, Québec – October 11, 2011 – Stella-Jones Inc. (TSX: SJ) today announced that it has signed a non-binding letter of intent to acquire Thompson Industries, Inc. (“Thompson”), a provider of treated wood products to the railroad industry.

The letter of intent contemplates a total purchase price of approximately US\$41.0 million. The transaction, if finalized, is expected to close in December 2011 and is subject to customary closing conditions, including entry into a definitive purchase agreement and satisfactory due diligence. Stella-Jones plans to finance the acquisition through existing credit facilities.

Founded in 1981, Thompson produces treated wood products, mainly railway ties and timbers, at a facility located in Russellville, Arkansas. Thompson’s sales for its fiscal year ended September 30, 2011 are expected to reach approximately US\$49.0 million.

“The acquisition of Thompson Industries would further enhance Stella-Jones’ product and service offering to the North American railroad industry,” said Brian McManus, President and Chief Executive Officer of Stella-Jones. “Thompson enjoys solid business relationships and is well recognized for its high-quality operations.”

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, 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.

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

**TRANSFER AGENT
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INVESTOR RELATIONS

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