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Stella-Jones Agrees on the Terms of Proposed Private Placement

WESTMOUNT, QUEBEC--(CCNMatthews - July 29, 2005) -

- Private equity placement worth \$5 million CDN
- Proceeds to partially finance pending U.S. acquisition

Stella-Jones Inc. (TSX:SJ) announced today that it has entered into a subscription agreement with its majority shareholder Stella Jones International S.A. ("SJ International") for a proposed private equity placement consisting of the issuance of 555,556 common shares of the Company at a price of \$9.00 per common share. Following the private placement, SJ International will own 6,910,556 common shares of Stella-Jones' outstanding common shares, or 63.9%, on an undiluted basis. The Toronto Stock Exchange has accepted notice of the proposed private placement and has conditionally approved the listing of additional common shares of the Corporation.

The proceeds generated by the private placement will be utilized to partially finance the previously announced pending acquisition of Webster Wood Preserving Company, A Minnesota Limited Partnership ("Webster"), a privately held producer and marketer of pressure treated wood railway ties based in Bangor, Wisconsin, USA ("Webster Acquisition"). The Webster Acquisition will be made through the Company's wholly owned US subsidiary, Stella-Jones Corporation. The closing of the private placement is subject to the closing of the Webster Acquisition.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading Canadian producer and marketer of industrial structures and support components produced with pressure treated wood products, specializing in the production of treated wood poles supplied to electrical utilities and telecommunications companies on both a national and international basis. Other principal products include railway ties, marine and foundation pilings, construction timbers, highway guardrail posts and treated wood for bridges. The Company also specializes in providing customized services to lumber companies and wholesalers for the treatment of consumer lumber products for outdoor applications. The Company's common shares are listed on the Toronto Stock Exchange.

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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, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

CONTACT INFORMATION

- Stella-Jones Inc.
George T. Labelle, C.A.
Senior Vice-President and Chief Financial Officer
(514) 934-8665
glabelle@stella-jones.com