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Stella-Jones Acquires the Assets and Operations of Bell Pole Company for \$50.1 Million

WESTMOUNT, QUEBEC--(CCNMatthews - June 30, 2006) - NOT FOR DISTRIBUTION TO U.S. WIRE SERVICES OR FOR DISTRIBUTION INTO THE UNITED STATES

Stella-Jones Inc. (TSX:SJ) is pleased to announce that it today completed, through a wholly-owned subsidiary, the acquisition of substantially all of the assets and operations of Bell Pole Company ("Bell Pole"), a Canadian manufacturer of wood utility poles based in Western Canada. The acquisition is effective on July 1st, 2006. Bell Pole is also involved in the remanufacturing and treating of dimensional lumber in Alberta.

Assets acquired include a pole treating plant located in Carseland, Alberta, several pole peeling facilities located throughout the province of British Columbia, as well as all inventories and accounts receivable. Assets acquired also include substantial cutting rights in British Columbia and Alberta. The effective transfer of these cutting rights is subject to government approval under applicable laws. Notice to proceed has been received from the relevant Governmental authorities.

Bell Pole is the wholly owned Canadian subsidiary ultimately of U.S. based Bell Lumber & Pole Company ("Bell Lumber"). Negotiations following the earlier announcement by Stella-Jones of a potential acquisition of the shares of Bell Lumber led the parties to conclude that it was in their respective best interests that the Company acquire the Canadian operations and the remaining US business remain in Bell Lumber which would continue to be owned and operated independently.

The purchase price totaled \$50.1 Million of which \$30.4 Million was for inventory and receivables. Equity funding for the acquisition was provided by the private placement of 1,060,000 subscription receipts issued on May 2, 2006 for a total consideration of \$18,020,000 ("Subscription Receipts"). Following the closing of the acquisition, the Subscription Receipts are to be exchanged into common shares of the Company, on a one-for-one basis. The remainder of the purchase price was financed by the assumption of liabilities, totaling \$15.1 Million a \$10 Million debenture to the Fonds de Solidarite des travailleurs du Quebec as well as additional debt funding under existing and new bank facilities.

For its last fiscal year ended December 31, 2005, Bell Pole reported sales of approximately

\$54,000,000 . "We are very pleased with this acquisition as it is a great fit with our Company and will be immediately accretive to earnings" said Brian McManus, President and CEO of the Company.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX:SJ) is a leading North American producer and marketer of industrial treated wood products, specializing in the production of pressure treated railway ties as well as wood poles supplied to electrical utilities and telecommunications companies. Other principal products include marine and foundation pilings, construction timbers, highway guardrail posts and treated wood for bridges. The Company also provides 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.

Visit our website: www.stella-jones.com

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.

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