



November 15, 2006 07:30 ET

Stella-Jones Considering the Acquisition of Certain Assets of the Pole Business of J.H. Baxter & Co.

MONTREAL, QUEBEC--(CCNMatthews - Nov. 15, 2006) - Stella-Jones Inc. (TSX:SJ) today announced that its wholly-owned US subsidiary, Stella-Jones Corporation, is considering the acquisition of certain assets related to the wood utility pole business of J.H. Baxter & Co. ("Baxter"). The acquisition would include the assets and operations of Baxter's treating plant in Arlington, Washington as well as its pole peeling facility in Juliaetta, Idaho. For the fiscal year ended December 31, 2005, Baxter's sales from its pole product group were approximately US\$30.0 million.

The parties have entered into a non-binding letter of intent. The transaction is subject to customary conditions and the completion of satisfactory due diligence. It is anticipated that the proposed transaction, if finalized, would close by the end of February 2007.

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 treated consumer lumber products and customized services to lumber 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, 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
www.stella-jones.com