



Source: Stella-Jones Inc.

Contacts: **George T. Labelle, C.A.**
Senior Vice-President and Chief Financial Officer
Tel.: (514) 934-8665
glabelle@stella-jones.com

Martin Goulet, CFA
MaisonBrison
Tel.: (514) 731-0000
martin@maisonbrison.com

Stella-Jones Announces an \$80,050,000 Private Placement of Subscription Receipts

Montréal, Québec – February 24, 2010 - Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) today announced that it has entered into an underwriting agreement with a syndicate of underwriters led by RBC Capital Markets, pursuant to which such underwriters have agreed to purchase from treasury, on an underwritten private placement basis, 2,402,000 Subscription Receipts of the Company (the “Subscription Receipts”) at a price of \$25.00 per Subscription Receipt for aggregate gross proceeds to the Company of \$60,050,000 (the “Underwriters’ Private Placement”).

In addition to the Underwriters’ Private Placement, Stella-Jones has received firm commitments from Stella Jones International S.A. (“SJ International”) and the Solidarity Fund QFL (the “Fund”) whereby such shareholders have agreed to purchase Subscription Receipts under the same terms as the Underwriters’ Private Placement for gross proceeds of \$15,000,000 and \$5,000,000, respectively (the “Shareholders’ Private Placement”).

The closing date of the Underwriters’ Private Placement and the Shareholders’ Private Placement (collectively, the “Private Placements”) is expected to occur on or about March 15, 2010. Completion of the Private Placements is subject to certain conditions, including the receipt of the approval of the Toronto Stock Exchange and all other necessary regulatory approvals.

Net proceeds from the Private Placements will be used by the Company to partially fund the proposed acquisition of Tangent Rail Corporation (the “Acquisition”), initially announced in a press release dated December 15, 2009.

The Subscription Receipts will be exchangeable, without additional payment, into common shares of the Company on a one-for-one basis upon completion of the Acquisition. If the Acquisition is not completed by April 30, 2010 at the latest, then the Subscription Receipts shall be automatically terminated and cancelled and the principal amount subscribed plus accrued interest will be returned to the holders of Subscription Receipts.

An aggregate of 3,202,000 common shares could be issued upon exchange of the Subscription Receipts to be sold under the Private Placements, representing 25.2% of the number of outstanding common shares, on a non-diluted basis.

SJ International currently holds 7,587,909 common shares of the Company, representing 59.8% of the issued and outstanding common shares, on a non-diluted basis, and could acquire an additional 600,000 common shares upon exchange of the Subscription Receipts to be sold pursuant to the Private Placements, (representing 4.7% of the number of outstanding common shares, on a non-diluted basis) thereby increasing their holdings to 8,187,909 common shares of the Company but reducing its percentage of ownership to 51.5% of the issued and outstanding common shares, on a non-diluted basis. The Fund

currently holds less than 10.0% of the issued and outstanding common shares and will not increase its percentage of ownership as a result of the Private Placements.

Given the current holding of common shares by SJ International, the Private Placements are not expected to materially affect the control of the Company.

The 3,202,000 common shares issuable upon exchange of the Subscription Receipts to be sold under the Private Placements represent more than 25.0% of the number of outstanding common shares, on a non-diluted basis, and the price per Subscription Receipt is less than the “market price” (as defined in the TSX Manual). Therefore, the Private Placements need to be approved by a majority of shareholders of the Company pursuant to TSX rules. The Company will provide TSX with written evidence that the majority shareholder, SJ International, is familiar with the terms of the Private Placements and is in favour of them. In accordance with the TSX rules, the Company intends to rely on such written evidence to proceed with the Private Placements without holding a shareholder meeting to formally approve them. The Private Placements were unanimously approved by the board of directors of the Company.

This press release is not an offer to sell, or a solicitation of an offer to buy, any securities. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

ABOUT STELLA-JONES

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

NOT FOR DISTRIBUTION TO U.S. WIRE SERVICES OR FOR DISTRIBUTION INTO THE UNITED STATES

-30-

HEAD OFFICE

3100 de la Côte-Vertu Blvd.
Suite 300
Saint-Laurent, Québec
H4R 2J8
Tel.: (514) 934-8666
Fax: (514) 934-5327

EXCHANGE LISTINGS

The Toronto Stock Exchange
Stock Symbol: SJ

**TRANSFER AGENT
AND REGISTRAR**

Computershare Investor Services Inc.

INVESTOR RELATIONS

George Labelle
Senior Vice-President and
Chief Financial Officer
Tel.: (514) 934-8665
Fax: (514) 934-5327
glabelle@stella-jones.com