



News Release

Investors, analysts and other interested parties can access a conference call via webcast where Acadian Timber Income Fund's management will discuss the topic of this news release on Friday, November 13, 2009 at 4:30 p.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America (Canada and the USA). For overseas calls please dial +1-604-638-5340, at approximately 4:20 p.m. ET. The teleconference taped rebroadcast will be available until midnight on December 13, 2009 and can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 4995.

ACADIAN TIMBER INCOME FUND ANNOUNCES PROPOSED CONVERSION TO A CORPORATION

All figures in Canadian dollars unless otherwise noted

Toronto, ONTARIO – November 13, 2009 – Acadian Timber Income Fund (“Acadian” or the “Fund”) (TSX:ADN.UN) today announced it has signed definitive documents in relation to a proposed transaction which would allow for the conversion of the Fund from an income trust to a corporation. This signing is in advance of Canadian federal income tax legislation relating to specified investment flow through trusts, which was announced on October 31, 2006 and is to be implemented in January 2011. Full details of the proposed conversion will be provided in an information circular expected to be prepared, mailed and filed by the Fund in the coming weeks for use at a special meeting of Fund unitholders at which unitholders will be invited to consider, and if deemed advisable, approve the proposed conversion. Unitholders will be asked to consider a proposed plan of arrangement (the “Arrangement”) under the provisions of the *Canada Business Corporations Act* (the “CBCA”) involving, among others, the Fund and CellFor Inc. (“CellFor”). CellFor is the world's leading independent supplier of high technology seedlings to the global forest industry, based in Vancouver, British Columbia.

The Arrangement has been unanimously approved by Acadian's Board of Trustees and by CellFor's board of directors, and if approved by the unitholders of the Fund and the securityholders of CellFor, will allow the Fund to convert into a corporation. It is expected that New Acadian's dividend policy will be similar to the current distribution policy of the Fund. Concurrent with the signing of the definitive documents, Acadian has agreed to make a loan of up to \$4 million to CellFor (the “CellFor Loan”).

Pursuant to the Arrangement, the Fund's unitholders will receive one common share of CellFor (“New Acadian Common Shares”) for each Fund unit held on the effective date, and CellFor will change its name to Acadian Timber Corp. (“New Acadian”). Upon completion of the Arrangement, New Acadian will indirectly own and operate the existing business of Acadian and its subsidiaries, and the existing trustees of the Fund and management of the business will become the directors of New Acadian and management of the business. New Acadian will retain and license certain business assets of CellFor related to the development of superior spruce stock (the “Retained Assets”).

Under the Plan of Arrangement, CellFor will transfer all of its assets (other than the Retained Assets) to a newly-formed subsidiary (“New Cellfor”) and all of Cellfor's liabilities (other than the

liability relating to the CellFor Loan) will be assumed by New CellFor for consideration to be satisfied by the issuance by New CellFor to CellFor of additional securities in the capital of New CellFor. All of the securities of New CellFor will then be distributed to the existing CellFor securityholders. New Acadian will retain the Retained Assets and Retained Liabilities and will maintain its tax attributes, which are equivalent to approximately \$95 million in the aggregate. Subject to certain conditions and limitations, New CellFor has agreed to indemnify New Acadian for losses or damages that may have resulted from the activities of CellFor prior to the conversion. Other than the foregoing, none of the Fund unitholders or New Acadian will retain any interest in the businesses carried on by CellFor or New CellFor prior to the completion of the Arrangement. Upon completion of the Arrangement, New CellFor will receive a \$1.0 million equity interest in New Acadian, estimated to be less than 1% of the outstanding shares based on the closing trading price of Fund units on November 12, 2009.

The Arrangement is subject to customary commercial conditions, including the receipt of certain approvals and consents (eg. the Toronto Stock Exchange). As an arrangement governed by the CBCA, it is also subject to court approval, as well as the approvals of not less than 66⅔% of the votes cast at a meeting (the "Meeting") of Acadian unitholders to be held to consider the Arrangement and approvals by CellFor's securityholders. The mailing to Fund unitholders of an information circular in respect of the Meeting is expected to occur on or around December 1, 2009. The Fund's objective is to complete the Arrangement effective January 1, 2010. There can be no assurance at this time that all approvals, consents and conditions required to effect the proposed conversion will be obtained or satisfied (as applicable) within that timeframe, or at all and, accordingly, there can be no assurance that the proposed conversion will be completed.

The key benefits of the Arrangement to the Fund and its unitholders include:

- an effective and efficient method of converting the Fund from a mutual fund trust to a corporation consistent with existing legislation;
- retention and license (as applicable) by New Acadian of the Retained Assets offering opportunities to increase the long-term productivity of New Acadian's timberlands;
- with respect to the \$0.01667 monthly (\$0.20 annual) dividend anticipated to be paid on the New Acadian Common Shares following the conversion, Canadian taxable Fund unitholders should benefit from lower income taxes paid on dividends compared to taxes paid on current distributions of income of the Fund;
- the removal of the "normal growth" and "undue expansion" restrictions in the normal growth guidelines that limit the Fund's ability to consider strategic acquisitions and may result in greater access to capital;
- it is expected that Fund unitholders will be able to exchange Fund units for New Acadian Common Shares on a tax-deferred basis for Canadian income tax purposes; and
- New Acadian will have estimated aggregate tax attributes equivalent to approximately \$95 million following the Arrangement.

Complete details of the terms of the Plan of Arrangement are set out in the Arrangement Agreement that will be filed by Acadian on SEDAR (www.sedar.com).

Acadian Timber Income Fund will hold a conference call and webcast for investors and analysts on Friday November 13, 2009 at 4:30 p.m. (ET) to discuss with members of senior management the Fund's proposed conversion to a corporation. The Conference Call will also be Webcast live on our web site.

To participate in the Conference Call, please dial 1-800-319-4610 toll free in North America (Canada and the USA), or for overseas calls please dial +1-604-638-5340 at approximately 4:20 p.m. (ET). For those unable to participate in the Conference Call, a taped rebroadcast will be

available until midnight on December 13, 2009. To access this rebroadcast, please call 1-800-319-6413 or +1-604-638-9010 (code: 4995).

Acadian Timber Income Fund is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of 2.4 million acres of land under management, Acadian is the second largest timberland operator in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to over 110 regional customers.

Acadian's units are listed for trading on the Toronto Stock Exchange under the symbol ADN.UN.

CellFor is the world's leading commercial-scale supplier of high yielding, varietal conifer seedlings for reforestation. The Company's proven and patented propagation technology-coupled with its high performing germplasm produce uniform, fast-growing varieties with highly desirable characteristics. CellFor has offices in Vancouver and Victoria, B.C., Atlanta, Georgia, Arkansas and South Carolina.

CellFor supplies naturally selected, varietal pine seedlings that deliver exceptional yield, disease resistance and wood quality characteristics to its customers. The Company's initial markets are pine plantations in the southern United States and South America. CellFor's customers include 16 of the 20 largest timberland owners in the U.S. as well as mid size companies, consultants, and private landowners. CellFor seedlings allow forest landowners to grow more and better wood on less land. With the increased yields, resistance to disease and uniformity brought by CellFor seedlings, forest landowners can expect per acre net present value increases of up to 100%.

- 30 -

For further information, please visit our website at www.acadiantimber.com or contact:
Robert Lee
Investor Relations and Communications
Tel: 604-661-9607
Email: rlee@acadiantimber.com

Forward-Looking Statements

This News Release contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements may contain such words as “may,” “will,” “intend,” “should,” “expect,” “believe,” “outlook,” “predict,” “remain,” “anticipate,” “estimate,” “potential,” “continue,” “plan,” “could,” “might,” “project,” “targeting” or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements regarding intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, distributions, taxes, capital expenditures, projected costs, and anticipated benefits of the proposed conversion of the Fund from an income trust to a corporation. These statements reflect management’s current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; failure to complete and realize anticipated benefits of the proposed conversion of the Fund from an income trust to a corporation, the risks associated with the availability and amount of the tax basis in connection with the proposed conversion of the Fund from an income trust to a corporation; and other risks and factors discussed under the heading “Risk Factors” in Acadian’s Annual Information Form and other filings with securities regulatory authorities available on SEDAR at www.sedar.com. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Fund. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: market conditions for timber and wood products, economic situation of key customers, and the completion of the proposed conversion of the Fund from an income trust to a corporation and the utilization of the tax basis. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, the Fund cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this News Release, and should not be relied upon as representing the Fund’s views as of any date subsequent to the date of this news release. The Fund assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as required by applicable law.