

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2013 Third Quarter Results conference call via webcast on Thursday, October 31, 2013 at 1:00 p.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 12:50 p.m. ET. The recorded teleconference rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER CORP. REPORTS THIRD QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – October 30, 2013 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended September 28, 2013 (the “third quarter”).

“Acadian’s operations ran well this quarter with solid demand for all our products and our customers continuing to have a positive market outlook. Business development was also a focus with development opportunities arising primarily from our proactive outreach initiatives”, said Reid Carter, Chief Executive Officer of Acadian. “We are excited about Acadian’s investment prospects.”

For the third quarter of 2013, Acadian generated net sales of \$18.8 million on sales volume of 343 thousand m³, which represents a \$1.2 million, or 7%, increase in net sales compared to the same period in 2012.

Adjusted EBITDA of \$3.8 million for the third quarter of 2013 was \$0.6 million lower than in the third quarter of 2012, while Adjusted EBITDA margin decreased to 20% from 25% in the same period of last year.

For the nine months ended September 28, 2013, Acadian generated net sales of \$52.6 million on sales volume of 1,013 thousand m³ as compared to net sales of \$50.4 million on sales volume of 976 thousand m³ in the comparable period of 2012. Adjusted EBITDA of \$11.3 million during the nine months ended September 28, 2013 is unchanged from the same period of 2012.

¹ This news release makes reference to Adjusted EBITDA and Free Cash Flow which are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of Acadian’s operating performance. Acadian’s management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, unrealized exchange gain/loss on debt, depreciation and amortization and Free Cash Flow as Adjusted EBITDA less interest paid, current income tax expense, additions to, and gains from the sale of, fixed assets plus losses on, and proceeds from, the sale of fixed assets. As these performance measures do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”), they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow.

Further to the announced broadening of Acadian's growth strategy, management has been actively pursuing several significant value-oriented opportunities in North and South America and Australia. These growth opportunities have ranged from traditional pure-play timberland sales to monetization strategies by industrial owners that seek to redeploy capital in their operating businesses. Acadian is targeting investments that meet the long-term total return targets of 10-15% and will remain disciplined when allocating capital. Acadian's investment strategy is focused on acquiring assets on a value basis by utilizing an operations-oriented approach to drive improved performance or using its strong structuring expertise to assist partners in monetizing assets. Acadian is well positioned to benefit from Brookfield's broader platform and relationships when sourcing transactions.

Financial and Operating Highlights

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	Sep 28 2013	Sep 29 2012	Sep 28 2013	Sep 29 2012
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	343.2	318.9	1,012.9	976.4
Net sales	\$ 18,759	\$ 17,523	\$ 52,619	\$ 50,428
Operating earnings	3,642	4,195	10,823	10,869
Net income	3,394	4,995	3,828	9,938
Adjusted EBITDA	3,789	4,377	11,341	11,343
Free cash flow	2,812	3,532	8,497	9,654
Dividends declared	3,451	3,451	10,353	10,353
Per share (fully diluted)				
Net income	0.20	0.30	0.23	0.59
Free cash flow	0.17	0.21	0.51	0.58
Dividends declared	0.21	0.21	0.62	0.62

Net income totaled \$3.4 million, or \$0.20 per share, for the third quarter, a decrease of \$1.6 million, or \$0.10 per share, compared to the same period of the prior year with the change attributable to increased costs as a result of harvesting in more distant stands and the timing of reforestation expenditures, as well as a non-cash \$0.9 million decrease in the unrealized exchange gain on long-term debt. Operating earnings for the period at \$3.6 million were down \$0.6 million reflecting the aforementioned higher hauling and reforestation costs.

Acadian's operations ran well during the third quarter. Weather conditions were typical for the summer season and improved demand for biomass resulted in a 5% increase in total harvest volume compared to the same period in the prior year. Harvest volume, excluding biomass, for the third quarter was almost unchanged from the same period in 2012 at 271 thousand m³. Consolidated sales volume of 343 thousand m³ was up 8% from the third quarter of 2012 with the increase primarily coming from Acadian's operations in Maine.

Acadian's weighted average log price for the third quarter increased 3% year-over-year with product-level price increases being somewhat offset by a heavier mix of pulpwood relative to the same period last year. Stronger softwood sawlog markets, particularly in the Maine operations, resulted in a 4% increase in softwood sawlog prices relative to the third quarter of 2012. Prices for hardwood logs in both the New Brunswick and Maine operations improved with selling prices for hardwood sawlogs, which represented 10% of net sales, increasing by 5% and prices for hardwood pulpwood also climbing 5% year-over-year. Biomass markets remained stable, however, realized gross margins on this product climbed 17% year-over-year due to an increased proportion of the New Brunswick volume being sold to export markets in addition to lower costs in the Maine operations due to the recovery of volumes stored in wood yards.

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended September 28, 2013			Three Months Ended September 29, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	87.7	90.5	\$ 4,632	92.3	94.7	\$ 5,091
Hardwood	106.3	103.3	6,213	113.9	106.0	6,222
Biomass	60.3	60.3	1,364	53.6	53.6	877
	254.3	254.1	12,209	259.8	254.3	12,190
Other sales			1,439			1,545
Net sales			\$ 13,648			\$ 13,735
Adjusted EBITDA			\$ 2,701			\$ 3,626
Adjusted EBITDA margin			20%			26%

	Nine Months Ended September 28, 2013			Nine Months Ended September 29, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	301.1	301.9	\$ 15,743	302.0	307.3	\$ 15,413
Hardwood	290.7	295.9	18,075	299.0	314.7	18,874
Biomass	173.4	173.4	3,382	159.7	159.7	2,745
	765.2	771.2	37,200	760.7	781.7	37,032
Other sales			2,109			2,250
Net sales			\$ 39,309			\$ 39,282
Adjusted EBITDA			\$ 8,636			\$ 9,227
Adjusted EBITDA margin			22%			23%

Softwood, hardwood and biomass shipments were 91 thousand m³, 103 thousand m³ and 60 thousand m³, respectively, for the third quarter of 2013. Approximately 33% was sold as sawlogs, 43% as pulpwood and 24% as biomass. This compares to 41% sold as sawlogs, 38% as pulpwood and 21% as biomass in the third quarter of 2012.

Net sales for the third quarter of 2013 were \$13.6 million (2012 – \$13.7 million) with an average selling price across all log products of \$55.94 per m³, which compares to an average selling price of \$56.39 per m³ during the third quarter of 2012. This year-over-year decrease in the average selling price reflects lower prices for softwood pulpwood and a higher proportion of that lower value product in the sales mix.

Costs for the third quarter were \$10.9 million (2012 – \$10.1 million). Variable costs per m³ were 4% higher than in the third quarter of 2012 due to longer hauling distances for hardwood logs as a greater proportion of the volume was sold to export markets and in-yard sales decreased.

Adjusted EBITDA for the third quarter was \$2.7 million, compared to \$3.6 million in the comparable period of 2012 reflecting the timing of reforestation expenditures, higher hauling costs and decreased activity in our land management services business. Adjusted EBITDA margin decreased to 20% from 26% in the third quarter of 2012.

NB Timberlands experienced three minor recordable safety incidents among contractors and no recordable incidents involving employees during the third quarter of 2013.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	Three Months Ended September 28, 2013			Three Months Ended September 29, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	51.4	51.3	\$ 3,168	45.3	45.3	\$ 2,563
Hardwood	25.6	26.0	1,754	18.1	15.8	989
Biomass	11.8	11.8	65	3.5	3.5	22
	88.8	89.1	4,987	66.9	64.6	3,574
Other sales			124			214
Net sales			\$ 5,111			\$ 3,788
Adjusted EBITDA			\$ 1,456			\$ 849
Adjusted EBITDA margin			28%			22%

	Nine Months Ended September 28, 2013			Nine Months Ended September 29, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	146.0	145.6	\$ 8,385	141.7	141.5	\$ 7,947
Hardwood	61.2	68.0	4,412	46.3	44.7	2,762
Biomass	28.1	28.1	190	8.5	8.5	75
	235.3	241.7	12,987	196.5	194.7	10,784
Other sales			323			362
Net sales			\$ 13,310			\$ 11,146
Adjusted EBITDA			\$ 3,699			\$ 2,650
Adjusted EBITDA margin			28%			24%

Softwood, hardwood and biomass shipments were 51 thousand m³, 26 thousand m³ and 12 thousand m³, respectively, for the third quarter of 2013. Approximately 51% was sold as sawlogs, 36% as pulpwood and 13% as biomass. This compares to 59% sold as sawlogs, 36% as pulpwood and 5% as biomass in the third quarter of 2012.

Net sales for the third quarter of 2013 were up 35% to \$5.1 million from \$3.8 million in the same period of 2012. The significant improvement in net sales reflects a 38% increase in sales volume and an average selling price across all log products of \$63.39 per m³, compared to an average log selling price of \$57.80 per m³ during the third quarter of 2012. The average log price in the current quarter benefitted from improved U.S. dollar-based prices for softwood sawlogs and a weaker Canadian dollar.

Costs for the third quarter were \$3.6 million (2012 – \$2.9 million). Variable costs per m³ increased 4% in U.S. dollar terms due to higher freight costs owing to an increased proportion of the hardwood harvest occurring in more distant stands. In Canadian dollar terms, variable costs increased 8%.

Adjusted EBITDA for the third quarter was \$1.5 million, compared to \$0.8 million in the comparable period of 2012. Adjusted EBITDA margin was 28% in the third quarter of 2013 compared to 22% during the third quarter of 2012.

Maine Timberlands experienced two recordable safety incidents among contractors and no recordable safety incidents among employees.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2013 and into 2014. Reference should be made to the "Forward-looking Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our management's discussion and analysis of Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

The U.S. housing market has entered a period of stabilization where further improvement is expected to be based on buying interest from new homeowners rather than investors. While housing starts and pricing continue to improve year-over-year, the rate of increase and consensus expectations have moderated since the second quarter. Housing affordability declined early in the third quarter, then recovered as mortgage rates eased in response to the U.S. Federal Reserve's decision not to taper securities purchases. We remain confident that the recovery of the U.S. housing market is on track and see most of Acadian's solid wood customers sharing our outlook as they increase capital investments, increase operating shifts and ramp up log purchases.

Our outlook for the remainder of 2013 and into 2014 is positive. Softwood lumber prices have largely recovered from the weakness seen in the late spring and early summer of this year resulting in continued strong demand for spruce-fir sawlogs from Acadian's softwood sawmilling customers. Markets for hardwood sawlogs remain stable and appear to have a similar outlook for the foreseeable future.

After a modest recovery of regional softwood pulpwood markets in the second half of 2012 and early 2013, markets have softened again as there has been an ample supply of sawmill residuals and raw material at regional pulp mills. This is particularly true in our New Brunswick operations where we expect markets for softwood pulpwood to be challenging through the remainder of 2013. Demand for spruce-fir pulpwood from pulp mills in Maine remains reasonably strong.

Markets for hardwood pulpwood have continued to be reasonably strong with Acadian's major hardwood pulp customers all operating and taking deliveries suggesting that prices should remain stable through the remainder of 2013 and well into 2014.

Domestic markets for biomass remain stable and export markets are growing. As a result, Acadian continues to be able to sell all of its biomass and the outlook for gross margins is stable to modestly improving.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.20625 per share, payable on January 15, 2014 to shareholders of record on December 31, 2013.

Acadian Timber Corp. 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 in New Brunswick. 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 approximately 90 regional customers.

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

- 30 -

For further information, please visit our website at www.acadiantimber.com or contact:

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Forward-Looking Statements

This News Release contains forward-looking information 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 Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), 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 made in the section entitled "Market Outlook" and other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which 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; Brookfield's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 28, 2013 and the Management Information Circular dated May 16, 2013, and other filings of Acadian made with securities regulatory authorities, which are 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 Acadian. 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: anticipated financial performance; anticipated market conditions; business prospects; the economic situation of key customers; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the ability to obtain financing on acceptable terms. 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, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this News Release are made as of the date of this News Release, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.

Acadian Timber Corp.
Interim Consolidated Statements of Net Income
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 28 2013	Sep 29 2012	Sep 28 2013	Sep 29 2012
<i>(CAD thousands)</i>				
Net sales	\$ 18,759	\$ 17,523	\$ 52,619	\$ 50,428
Operating costs and expenses				
Cost of sales	12,657	11,628	35,767	34,453
Selling, administration and other	1,778	1,405	4,924	4,376
Reforestation	535	157	674	319
Depreciation and amortization	147	138	431	411
	15,117	13,328	41,796	39,559
Operating earnings	3,642	4,195	10,823	10,869
Interest expense, net	(756)	(711)	(2,268)	(2,169)
Other items				
Fair value adjustments	(334)	42	909	449
Unrealized exchange gain (loss) on long-term debt	1,544	2,399	(2,771)	2,769
Gain on sale of timberlands	—	44	87	63
Earnings before income taxes	4,096	5,969	6,780	11,981
Deferred tax expense	(702)	(974)	(2,952)	(2,043)
Net income	\$ 3,394	\$ 4,995	\$ 3,828	\$ 9,938
Net income per share – basic and diluted	\$ 0.20	\$ 0.30	\$ 0.23	\$ 0.59

Acadian Timber Corp.
Interim Consolidated Statements of Comprehensive Income
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 28	Sep 29	Sep 28	Sep 29
<i>(CAD thousands)</i>	2013	2012	2013	2012
Net income	\$ 3,394	\$ 4,995	\$ 3,828	\$ 9,938
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation income (loss)	(1,558)	(2,820)	3,322	(3,237)
Amortization of derivatives designated as hedges	(47)	(48)	(142)	(146)
Comprehensive income	\$ 1,789	\$ 2,127	\$ 7,008	\$ 6,555

Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	September 28 2013	December 31 2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,499	\$ 6,136
Accounts receivable and other assets	10,073	6,619
Inventory	906	1,651
	19,478	14,406
Timber	235,538	230,686
Land, roads and other fixed assets	34,047	33,307
Intangible assets	6,140	6,140
Deferred income tax asset	—	696
	\$ 295,203	\$ 285,235
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,073	\$ 4,685
Dividends payable to shareholders	3,451	3,451
Short-term debt	1,649	—
	15,173	8,136
Long-term debt	74,130	71,173
Deferred income tax liability	25,243	21,924
Shareholders' equity	180,657	184,002
	\$ 295,203	\$ 285,235

Acadian Timber Corp.
Interim Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 28	Sep 29	Sep 28	Sep 29
(CAD thousands)	2013	2012	2013	2012
Cash provided by (used for):				
Operating activities				
Net income	\$ 3,394	\$ 4,995	\$ 3,828	\$ 9,938
Adjustments to net income:				
Deferred tax expense	702	974	2,952	2,043
Depreciation and amortization	147	138	431	411
Fair value adjustments	334	(42)	(909)	(449)
Unrealized exchange (gain) loss on long term debt	(1,544)	(2,399)	2,771	(2,769)
Interest expense, net	756	711	2,268	2,169
Interest paid, net	(760)	(740)	(2,282)	(1,476)
Gain on sale of timberlands	—	(44)	(87)	(63)
Net change in non-cash working capital and other	2,040	172	2,570	3,061
	5,069	3,765	11,542	12,865
Financing activities				
Borrowings	1,649	—	1,649	—
Dividends paid to shareholders	(3,451)	(3,451)	(10,353)	(10,353)
	(1,802)	(3,451)	(8,704)	(10,353)
Investing activities				
Additions to timber, land, roads and other fixed assets	(217)	(105)	(562)	(215)
Proceeds from sale of timberlands	—	44	87	65
	(217)	(61)	(475)	(150)
Increase in cash and cash equivalents during the period	3,050	253	2,363	2,362
Cash and cash equivalents, beginning of period	5,449	6,128	6,136	4,019
Cash and cash equivalents, end of period	\$ 8,499	\$ 6,381	\$ 8,499	\$ 6,381

Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Nine Months Ended	
	Sep 28 2013	Sep 29 2012	Sep 28 2013	Sep 29 2012
<i>(CAD thousands)</i>				
Net income	\$ 3,394	\$ 4,995	\$ 3,828	\$ 9,938
Add (deduct):				
Interest expense, net	756	711	2,268	2,169
Deferred tax expense	702	974	2,952	2,043
Depreciation and amortization	147	138	431	411
Fair value adjustments	334	(42)	(909)	(449)
Unrealized exchange (gain) loss on long-term debt	(1,544)	(2,399)	2,771	(2,769)
Adjusted EBITDA	3,789	4,377	11,341	11,343
Add (deduct):				
Interest paid on debt, net	(760)	(740)	(2,282)	(1,476)
Additions to timber, land, roads and other fixed assets	(217)	(105)	(562)	(215)
Gain on sale of timberlands	—	(44)	(87)	(63)
Proceeds on sale of timberlands	—	44	87	65
Free cash flow	\$ 2,812	\$ 3,532	\$ 8,497	\$ 9,654
Dividends declared	\$ 3,451	\$ 3,451	\$10,353	\$10,353
Payout ratio	123%	98%	122%	107%