



FOR RELEASE

**IMMEDIATELY**  
October 18, 2000

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EL DORADO, AR. Deltic Timber Corporation (NYSE-DEL) announced today a status update on its project to exchange its agricultural lands located in northeast Louisiana for pine timberland in a tax-efficient manner. Activities on the project during the third quarter contributed approximately \$7.0 million of after tax net income as described in the Company's press release on its third quarter earnings issued earlier today.

At its meeting held on August 17, 2000, the Company's Board of Directors was asked to approve recommendations to initiate actual implementation of the project. At such meeting the Company's Directors approved several specific aspects of the project and granted authority to the Company's executive officers to proceed in effecting certain remaining aspects. Five of the more significant aspects are described below, followed by a description of activities accomplished during the third quarter and anticipated for the remainder of the year.

(1) The Board of Directors approved acceptance of offers received on June 22 and July 25 in a sealed bid process (subject to execution of acceptable contracts) for approximately 33 tracts of farmland comprising 24,673 acres which the Company either owns in fee or owns an undivided interest of approximately 64.8%.

(2) The Board of Directors approved establishment of a "market index" derived price for any related-party transactions involving the farmland, which was calculated from the ratio that the accepted sealed bids bear to the average of two independent appraisals conducted of the lands earlier this year.

(3) The Board of Directors ratified conditional contracts executed on June 21, 2000, for 12 tracts of farmland comprising about 13,060 acres with Epps Plantation, LLC, which is owned by the Charles H. Murphy Family Investments Limited Partnership. Nine of the 12 tracts are fee owned, with the Company owning an undivided interest in the other three. These transactions are deemed by the Company to be related-party transactions due to Charles Murphy's stock ownership in the Company and his relation to four of the Company's directors (R. Madison Murphy's father, Robert C. Nolan's uncle, Christoph Keller, III's uncle, and the uncle of R. Hunter Pierson's spouse). Each of these four directors recused themselves from all discussions and actions related to possible transactions with Epps Plantation, LLC. The contracts with Epps Plantation, LLC were conditioned on the Company entering into other contracts with third parties to sell at least 50% of its remaining farmland holdings and a market index price from such other contracts falling within a range of 80% to 120% of the average of the two independent appraisals. The contracts further provided the Company with broad closing flexibility, permitting a closing on one or more or all of the tracts upon notice to the buyer at anytime up to three years from the date of the contracts.

(4) The Board of Directors approved two transactions to acquire pine timberland from separate sellers, and the designation of such pine timberland as "replacement property" for the like-kind exchange of farmland owned in fee by the Company. Lands covered by one of the transactions consist of approximately 7,400 acres of moderately stocked timberland located within the Company's Ola Region operating area. Lands covered by the other

transaction consist of approximately 5,400 acres heavily stocked with large, grade timber and located within the Company's Waldo Region operating area.

(5) The Board of Directors approved a transaction to acquire pine timberland from another party, and the designation of such pine timberland as "replacement property" for the like-kind exchange of farmland known as Ashly Plantation in which the Company owns undivided interest and which operates as a partnership for tax purposes. The lands covered by this arrangement consist of approximately 31,700 acres of mostly pine plantations of varying age and are located within the Company's Waldo Region operating area.

During the third quarter, consistent with the actions of the Board of Directors described above, the Company accomplished several significant steps to advance completion of its farmland exchange project. Contracts for the sale of fee and undivided interest farmland were executed covering approximately 27,400 acres. Some seven tracts are currently not under contract. The Company anticipates that most, if not all, of the transactions to sell the farmland tracts will be closed during the remaining months of this year. In addition to tracts under contract, the Company also elected during the third quarter to take advantage of the flexible closing provisions of the contracts with Epps Plantation, LLC, and closed on each of those 12 tracts for a price based on the approved market index which exceeded the average of appraised value for the tracts. A portion of the proceeds from the fee owned tracts was used to complete the transaction to acquire approximately 7,400 acres of replacement property. The completion of the other

transaction to acquire replacement property is anticipated to close prior to the end of the year as additional fee farmland proceeds become available.

Also during the third quarter, the Company and the other Ashly Plantation owners acted to acquire the approximate 31,700 acres of replacement property mentioned above. This acquisition was effected in the form of a "reverse exchange" conducted pursuant to the safe harbor provisions of Revenue Procedure 2000-37 issued by the Internal Revenue Service on September 15, 2000.

Statements included herein that are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" within the meaning of the Federal Securities Laws. Such statements reflect the Company's current expectations and involve certain risks and uncertainties. Actual results could differ materially from those included in such forward-looking statements. Factors that could cause such differences include, but are not limited to, the default or other failure by purchasers of farmland tracts to perform their contractual obligations, unanticipated casualty to or condemnation of the property being sold, and certain of the risk factors described from time to time in the reports and disclosure documents filed by the Company with the Securities and Exchange Commission.