

**Parkland Income Fund**  
**Consolidated Balance Sheet**

(\$ 000's)(Unaudited)	March 31, 2006	December 31, 2005
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 13,027	\$ 8,290
Accounts receivable	31,773	34,253
Inventories	18,999	18,962
Prepaid expenses	1,242	1,570
	65,041	63,075
Other	1,696	1,859
Capital assets	66,318	66,454
Future Income taxes	1,606	1,631
	\$ 134,661	\$ 133,019
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	55,493	53,011
Income tax payable	1,138	1,138
Long-term debt - current portion	6,664	6,862
	63,295	61,011
Long-term debt	8,739	9,749
Asset retirement obligation	1,135	1,120
Refinery closure accrual	3,038	3,038
	\$ 76,207	\$ 74,918
<b>Unitholders' Capital (Note 1)</b>		
Class B Limited Partners' Capital	12,878	13,055
Unitholders' Capital	45,576	45,046
	58,454	58,101
	\$ 134,661	\$ 133,019

**Parkland Income Fund**  
**Consolidated Statement of Earnings and Retained Earnings**

(\$ 000's except per unit amounts)(Unaudited)	3 Months ended March 31,		
	2006	2005	2004
Net sales and operating revenues	\$ 241,552	\$ 177,081	\$ 141,262
Cost of sales and operating expenses	218,783	162,772	126,503
Gross margin	22,769	14,309	14,759
Expenses			
Operating and direct costs	10,753	8,711	8,692
Marketing, general and administrative	3,830	2,355	3,001
Amortization	2,301	2,181	2,196
Interest on long-term debt	250	198	190
	17,134	13,445	14,079
Earnings before income taxes	5,635	864	680
Income taxes			
Current	44	-	19
Future	25	40	(163)
	69	40	(144)
Net earnings	5,566	824	824
Retained Earnings, beginning of period	-	-	-
Allocation to Class B Limited Partners	(1,306)	(271)	(357)
Allocation to Unitholders	(4,260)	(553)	(467)
Retained earnings, end of period	\$ -	\$ -	\$ -
Net earnings per unit - basic	\$ 0.45	\$ 0.07	\$ 0.07
Net earnings per unit - diluted	\$ 0.45	\$ 0.07	\$ 0.07

**Parkland Income Fund**  
**Consolidated Statement of Cash Flows**

(\$ 000's)(Unaudited)	3 Months ended March 31,		
	2006	2005	2004
<b>Cash Provided By (used for) Operations</b>			
Net earnings	\$ 5,566	\$ 824	\$ 824
Add (deduct) non-cash items			
Amortization	2,301	2,181	2,196
Unit option compensation	48	44	24
Accretion expense	15	15	15
Future taxes	25	40	(163)
Funds flow from operations	7,955	3,104	2,896
Net changes in non-cash working capital	5,253	(1,920)	(475)
Cash from operating activities	13,208	1,184	2,421
<b>Financing Activities</b>			
Proceeds from long-term debt	-	158	1,184
Long-term debt repayments	(1,208)	(1,108)	(1,331)
Distributions to Class B Limited Partners	(1,483)	(1,816)	(2,211)
Distributions to Unitholders	(4,837)	(3,699)	(2,895)
Fund Units issued	1,059	629	446
Cash from(used for) financing activities	(6,469)	(5,836)	(4,807)
<b>Investing activities</b>			
Recovery in other assets	163	31	60
Refinery closure expenditures	-	(10)	-
Purchase of capital assets	(2,322)	(513)	(1,597)
Proceeds on sale of capital assets	157	-	860
Cash from (used for) investing activities	(2,002)	(492)	(677)
Increase (decrease) in cash	4,737	(5,144)	(3,063)
Cash and Cash equivalents, beginning of period	8,290	5,286	2,717
Cash and Cash equivalents, end of period	\$ 13,027	\$ 142	\$ (346)
Cash Interest paid	\$ 250	\$ 198	\$ 190
Cash taxes paid	\$ 44	\$ -	\$ 19

**Parkland Income Fund**  
**Notes to Consolidated Financial Statements**  
**March 31, 2006**

**Significant Accounting Policies**

The consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements dated December 31, 2005. These financial statements should be read in conjunction with the annual financial statements and notes.

Certain prior year numbers have been restated to conform with current year presentation.

**1. Unitholders' Capital**

	3 Months ended March 31, 2006		12 Months ended December 31, 2005	
	Units (000's)	(\$000's)	Units (000's)	(\$000's)
<b>Class B Limited Partnership Units</b>				
Balance, beginning of period	2,908	\$ 13,055	4,307	\$ 18,833
Allocation of retained earnings	-	1,306	-	6,859
Distribution to partners	-	(1,483)	-	(6,761)
Exchanged for Fund Units	-	-	(1,399)	(5,876)
Balance, end of period	2,908	12,878	2,908	13,055
<b>Fund Units</b>				
Balance, beginning of period	9,430	45,046	7,914	36,191
Allocation of retained earnings	-	4,260	-	18,110
Unit option compensation	-	48	-	181
Issued under distribution reinvestment plan	10	202	32	661
Issued under unit option plan	61	857	85	1,138
Distribution to unitholders	-	(4,837)	-	(17,111)
Exchange of Limited Partnership units	-	-	1,399	5,876
Balance, end of period	9,501	45,576	9,430	45,046
	12,409	\$ 58,454	12,338	\$ 58,101

The table below represents the status of the Fund's Incentive Option Plan as at March 31, 2006 and the changes therein for the period then ended:

	3 Months ended March 31, 2006		12 Months ended December 31, 2005	
	Number of Options Units (000's)	Weighted average exercise price	Number of Options Units (000's)	Weighted average exercise price
Balance, beginning of period	550	\$ 18.09	438	\$ 15.26
Granted	-	\$ -	280	\$ 21.38
Cancelled	(15)	\$ 21.15	(85)	\$ 19.02
Exercised	(61)	\$ 14.06	(83)	\$ 13.45
Balance, end of period	474	\$ 18.38	550	\$ 18.09
Exercisable options, end of period	282	\$ 16.64	129	\$ 15.28

**Parkland Income Fund**  
**Notes to Consolidated Financial Statements**  
**March 31, 2006**

Exercise prices for outstanding options at March 31, 2006 have the following ranges: 116,301 from \$12.45 - \$15.71, 128,670 from \$17.62 - \$18.97 and 229,000 from \$20.05 - \$21.80. These issue prices represent the market value at the time of issue. The corresponding remaining contractual life for these options range from 6 - 9 years. The fund accounts for its grants of options using the fair value based method of accounting for stock based compensation. The total cost to be reported is \$530,710. The compensation cost that has been charged against income for the 3 months ended March 31, 2006 is \$48,159 (March 31, 2005 - \$44,226) (March 31, 2004 - \$24,144).

**2. Segmented Information**

The Fund's operations are predominantly in fuel marketing in Western Canada. In recent years the Fund initiated operations in the convenience store industry.

The convenience stores have been integrated into fuel marketing properties already owned by the Fund and all continue to market transportation fuels. Due to the amount of common operating and property costs it is not practical to report these segments below their respective gross margins.

(\$ 000's)(Unaudited)	3 Months Ended		
	Fuel Marketing	Merchandise	Total
<b>March 31, 2006</b>			
Net sales and operating revenues	\$ 228,437	\$ 13,115	\$ 241,552
Cost of Sales	209,014	9,769	218,783
Gross Margin	\$ 19,423	\$ 3,346	\$ 22,769
<b>March 31, 2005</b>			
Net sales and operating revenues	\$ 167,620	\$ 9,461	\$ 177,081
Cost of Sales	155,701	7,071	162,772
Gross Margin	\$ 11,919	\$ 2,390	\$ 14,309
<b>March 31, 2004</b>			
Net sales and operating revenues	\$ 133,119	\$ 8,143	\$ 141,262
Cost of Sales	120,363	6,140	126,503
Gross Margin	\$ 12,756	\$ 2,003	\$ 14,759

The segregation of capital expenditures and total assets is not practical as the reportable segments operate from the same locations.

**PARKLAND INCOME FUND**  
**Supplementary Information**

	<b>Three months ended March 31,</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
Volume (millions of litres)			
Retail	118	116	113
Wholesale	211	152	144
<b>Total volume</b>	<b>329</b>	<b>268</b>	<b>257</b>
Revenue (\$000's)			
Retail fuel	\$ 89,323	\$ 79,280	\$ 65,611
Wholesale fuel	\$ 139,114	\$ 88,340	\$ 67,508
Merchandise sales	\$ 13,115	\$ 9,461	\$ 8,143
<b>Total revenue</b>	<b>\$ 241,552</b>	<b>\$ 177,081</b>	<b>\$ 141,262</b>
Gross margin (\$000's)	\$ 22,769	\$ 14,309	\$ 14,759
Less :Merchandise gross margin	\$3,346	\$ 2,390	\$ 2,003
Non fuel revenue included in gross margin	\$1,652	\$ 1,629	\$ 1,219
<b>Fuel gross margin</b>	<b>\$17,771</b>	<b>\$ 10,290</b>	<b>\$ 11,537</b>
<b>Cents per litre (CPL)</b>	<b>\$ 0.0540</b>	<b>\$ 0.0384</b>	<b>\$ 0.0449</b>
Station counts			
Fas Gas	111	160	188
Fas Gas Plus	99	53	28
Race Trac Fuels	204	237	219
RBD	141	0	0
<b>Total stations</b>	<b>555</b>	<b>450</b>	<b>435</b>