

FOR IMMEDIATE RELEASE: Tuesday, September 5, 2006

**PARKLAND ANNOUNCES PLAN TO PROCESS OILFIELD DRILLING
FLUIDS AT BOWDEN**

Red Deer, September 5, 2006 -- Parkland Income Fund and INEOS Canada Partnership intend to enter into agreements to upgrade oilfield drilling fluids from the INEOS Oligomers site at Joffre, Alberta at Parkland's Bowden, Alberta refinery site.

The initial agreement provides for the custom processing to proceed from September through December of 2006 while a commercial agreement will be developed based on the Letter of Intent now signed. The fluids, Amodrill 1400® and Amodrill 1600® (www.amodrill.com), which were previously processed in the United States will now be processed in Alberta and will be easily accessible for local customers.

Parkland will re-activate portions of its Bowden refinery which suspended operations in September, 2001. "We are delighted to work with INEOS and to rebuild our employee base in Bowden" said Parkland President and CEO, Michael Chorlton. "This is the first of many possible opportunities to utilize the full potential of this site for processing and storage operations."

Parkland Income Fund operates retail and wholesale fuels and convenience store businesses under its Fas Gas Plus, Fas Gas, Race Trac Fuels and Short Stop Food Stores brands, and transports fuel through its Petrohaul division. With over 550 locations, Parkland has developed a strong market niche in western and northern Canadian non-urban markets. To maximize value for its unitholders, the Fund is focused on the continuous refinement of its retail portfolio, increased revenue diversification through growth in non-fuel revenues and active supply chain management. Parkland maintains ownership of the Bowden refinery near Red Deer, Alberta, and has been actively exploring operational alternatives for the site.

The Fund's units trade on the Toronto Stock Exchange (TSX) under the symbol PKI.UN. For more information, visit www.parkland.ca.

Certain information included herein is forward-looking. Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving Parkland. Many of these statements can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues", or similar words. Parkland believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in the Fund's annual report, annual

information form and other continuous disclosure documents. Such forward-looking statements necessarily involve known and unknown risks and uncertainties and other factors, which may cause the Fund's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general economic, market and business conditions; industry capacity; competitive action by other companies; refining and marketing margins; the ability of suppliers to meet commitments; actions by governmental authorities including increases in taxes; changes in environmental and other regulations; and other factors, many of which are beyond the control of Parkland. Any forward-looking statements are made as of the date hereof and the Fund does not undertake any obligation, except as required under applicable law, to publicly update or revise such statements to reflect new information, subsequent or otherwise.

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