

**FOR IMMEDIATE RELEASE: May 2<sup>nd</sup>, 2008**

## **PARKLAND REPORTS FIRST QUARTER 2008 FINANCIAL RESULTS**

First Quarter 2008 Performance Highlights:

- Record Q1 fuel sales volume of 556 million litres, up 26% from 440 million litres a year earlier
- Record Q1 sales of \$483 million, up 45% from \$334 million a year earlier
- EBITDA of \$17.2 million, down 26% from \$23.1 million a year earlier
- Completed acquisition of Wiebe Transport assets and operations
- Announced acquisition of NOCO Energy fuel marketing business in Ontario subsequent to the end of the quarter

Red Deer, Alberta – Parkland Income Fund (TSX:PKI.UN) today announced its business performance for the three months ended March 31, 2008. Volumes and revenues achieved record levels for any first quarter in the Fund’s history. EBITDA was lower than a year earlier, primarily due to lower contributions from our share of refinery margins. On the other hand, western Canadian retail margins were strong relative to prior years. The refinery margins were lower than 2007 but relatively consistent with lower winter levels experienced over a longer time frame.

President and CEO Mike Chorlton said, “The record fuel sales volume and revenue for the quarter reflects our long-term strategy to drive steady, sustainable growth through strategic acquisitions and internal business development. Although the acquisitions in the Commercial segment added operating costs, they provided strong profitability to offset some of the seasonal weakness in fuel margins. We are actively addressing the pressure on EBITDA by focusing on improving operational efficiency, capitalizing on synergies, and investing in systems, process re-engineering and senior personnel to complete the integration of the acquired businesses and build a foundation for future growth.”

“More broadly, economic conditions in northern Alberta resulted in a slowing of the Fund’s internal pace of growth during the quarter. The region’s economy was hampered by mill closures and reduced activity in the lumber industry as well as lower levels of oilfield drilling in response to weaker natural gas prices and anticipated higher royalty rates.”

### *Fuel Volumes*

Gas, diesel and propane sales volumes were strong and include a full quarter of operations from all the 2007 acquisitions. Total fuel sales volume for the first three months of 2008 was 556 million litres, an increase of 26% from 440 million litres a year earlier. The comparative quarter in 2007 included only two months of operation of Neufeld Petroleum and none for Joy Propane and United Petroleum Products.

During the first quarter of 2008 several of the western Canadian refiners experienced production interruptions due to unscheduled maintenance. Although all marketers were placed on daily product allocation limits at times, we were able to meet our customers' product requirements at all times and did not experience supply interruptions.

### *Margins*

Gross margins on diesel were strong throughout the quarter but gasoline, which accounts for 69% of our volume, experienced a smaller contribution from the refiners' margins, which we share in part.

We were able to grow our aggregate fuel gross profit through acquisitions in our commercial business segment. With these acquisitions we were able to maintain overall average gross margins per litre in a similar range to the same quarter last year but added significant additional operating and general and administrative costs in doing so.

Our marketing, general and administrative expenses increased as a result of the acquisitions in 2007 as well as an expenditure of \$0.5 million in the first quarter this year on a project to upgrade our technology and our business processes.

### *EBITDA*

A comparison of EBITDA for the first quarter of 2008 with the first quarter of 2007 is available online at <http://files.newswire.ca/714/WaterfallMay2008.pdf>

### *Distributions*

Cash available for distribution exceeded actual cash distributed for the first quarter and the monthly distribution rate was maintained at the rate of \$0.105 per unit.

### *Update on Beaver Hills Project*

Work on the Beaver Hills project, which is in the feasibility study phase for proposed construction of a \$300 million fuel and chemical production facility in the Edmonton area, is continuing on schedule. We have a 25% interest in this project and expect to reach a decision regarding construction around year-end.

### *Recent Acquisitions*

During the first quarter we completed the acquisition of the assets and operations of Wiebe Transport of Grande Prairie, Alberta. The acquisition expands our fuel delivery capacity and reduces our reliance on outside haulers.

Management continues to assess acquisitions which will add accretive cash flow and unitholder value. On April 24<sup>th</sup>, we announced agreement to acquire the NOCO Energy fuel marketing business in Ontario. This transaction expands Parkland's geographic presence into Central Canada and establishes its position for further growth.

## OUTLOOK

All business segments remain profitable and we continue to increase sales volumes. Distributable cash flow was above distributions during the first quarter of 2008 and the Board continues to believe that the current distribution rate is appropriate. The second and third quarters historically have produced increased fuel margins. We look forward to a strong agricultural inputs market in 2008 although demand for our products in that industry is sensitive to weather.

## SUMMARY FINANCIAL RESULTS

For the Three Months Ended March 31<sup>st</sup>, 2008

<i>Thousands of Canadian dollars, except per unit amounts and fuel volumes</i>			
	<b>Q1 2008</b>	Q1 2007	% Change
Revenue	<b>482,893</b>	334,006	45 %
Net Earnings <sup>1</sup>	<b>10,220</b>	17,107	(40 %)
Net Earnings Per Unit <sup>1</sup>	<b>0.20</b>	0.37	(46 %)
Average Number of Units	<b>50,300</b>	47,466	6 %
EBITDA <sup>2</sup>	<b>17,245</b>	23,095	(26 %)
Distributable Cash Flow Per Unit	<b>0.33</b>	0.47	(30 %)
Distributions per Unit	<b>0.32</b>	0.24	34 %
Fuel Sales Volumes (millions of litres)	<b>556</b>	440	26 %

<sup>1</sup> Certain year-earlier numbers have been restated as a result of Parkland's early adoption of the new CICA standards on inventories to record the cost of inventory using the First In, First Out method.

<sup>2</sup> EBITDA, which is not a financial measure under Generally Accepted Accounting Principles (GAAP), refers to Earnings Before Interest on Long-Term Debt, Income Tax Expense, Amortization of Capital Assets, Refinery Remediation Accrual and Loss on Disposal of Capital Assets. It can be calculated from the GAAP amounts included in the Fund's financial statements and a table reconciling net income in accordance with GAAP to EBITDA is included in the Management's Discussion and Analysis (MD&A). Management believes that EBITDA is a relevant measure to users of its financial information as it provides an indication of pre-tax earnings available to distribute to debt and equity holders in the Fund. The Fund's definition of EBITDA may not be consistent with other providers of financial information and therefore may not be comparable.

The MD&A as well as the complete unaudited interim Consolidated Financial Statements and notes for the first quarter of 2008 are available online at <http://files.newswire.ca/714/ParklandQ108MDAFS.pdf>

### Investment Community Conference Call & Webcast

Parkland will hold a conference call to discuss the first quarter results as follows:

Monday, May 5<sup>th</sup>, 2008 at 9:00 a.m. MDT

Direct: 416-644-3414

Toll-free: 1-800-733-7560

The webcast can be accessed at:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2256760>

A replay of the conference call will be available from May 5, 2008, 11:00 a.m. MDT to May 19, 2008 at 11:59 p.m. MDT. The dial in information is as follows:

Direct: 416-640-1917

Toll-free: 1-877-289-8525

Passcode: 21270194, followed by '#'

## **ABOUT PARKLAND INCOME FUND**

Parkland Income Fund currently 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 through independent branded dealers, and transports fuel and other products through its Distribution division. With approximately 530 locations, Parkland has developed a strong market niche in western and northern Canadian non-urban markets. The Fund supplies propane, bulk fuel, heating oil, lubricants, industrial fluids, agricultural inputs and associated services to commercial and industrial customers in Alberta, British Columbia and the Yukon Territory under the Neufeld, Joy, United Petroleum and Great Northern Oil brands.

Additionally, Parkland operates the Bowden refinery near Red Deer, Alberta as a storage and contract-processing site. The Fund is also a 25 percent joint venture partner in a study, due to be completed by the end of 2008, to determine the feasibility of building a \$300 million facility to process condensate and pygas to produce gasoline, diesel fuel, benzene and improved condensate.

Parkland is focused on creating and delivering value for its unitholders through the continuous refinement of its site portfolio, increasing revenue diversification through growth in non-fuel revenues and active supply chain management.

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

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*If you prefer to receive Company news releases via e-mail, please request at [corpinfo@parkland.ca](mailto:corpinfo@parkland.ca).*

## **FORWARD LOOKING STATEMENTS**

*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”, “projected”, “anticipates”, “estimates”, “continues”, or similar words and include but are not limited to, statements regarding the accretive effects of the acquisition and the anticipated benefits of the acquisition. 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.*