Parkland Industries LP

FOR IMMEDIATE RELEASE: Friday, February 27, 2009

PARKLAND REPORTS FOURTH QUARTER and FISCAL YEAR END FINANCIAL RESULTS

Fourth Quarter 2008 Performance Highlights:

- Record quarterly fuel sales volume of 664 million litres, up 29% from 516 million litres the prior year.
- Record quarterly sales of $525 million, up 15% from $456 million the prior year.
- Record Q4 EBITDA of $25.1 million, up 40% from $17.9 million in 2007 and a record for any Q4.
- Distribution payout ratio 90% for the quarter and 91% for all of 2008.
- Q4 2008 EBITDA includes $5.0 million non-recurring contract cancellation fee.
- Strong contribution from retail fuel sales.

Red Deer, February 27, 2009 – Parkland Income Fund (TSX:PKI.UN) today announced its business performance for the fourth quarter of 2008 and the year ended December 31, 2008. Fourth quarter volume achieved record levels for any quarter. Revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) for Q4 2008 was higher than the same period a year earlier and the highest Q4 on record.

President and CEO Mike Chorlton said, “We believe the current level of distributions is sustainable and there are no plans under current conditions to reduce monthly distributions.”

“Profitability in the fourth quarter was much higher than the first half of 2008 with record sales volume and strong fuel margins. The EBITDA gain occurred despite a $15 million negative FIFO adjustment in fuel inventory from declining petroleum product prices. During this period of extreme volatility in the capital markets, Parkland is focused on maintaining monthly distributions, driving operational efficiency and continuing to build our business as opportunities arise.”

Distributable cash exceeded cash distributions in the fourth quarter and for the year ended December 31, 2008. The annual distribution payout ratio for 2008 was 91% compared to 90% in 2007. Accordingly, we have maintained our monthly distribution rate of $0.105 per unit.

Outlook

Two months into the first quarter of 2009, retail fuel sales volumes remain similar to the prior year and retail margins remain strong in spite of the cold weather season when demand for gasoline is typically weaker. Commercial fuel sales volumes have been softer in northern Alberta as upstream oil and gas customers have curtailed drilling programs.

Diesel supply has increased from shortages experienced in 2008 causing margins to trend downward although they remain strong by historic standards.

Refiners’ margins for gasoline have increased to the degree that they are stronger than any mid-winter period in the past 10 years. As of the current date they have declined somewhat from their peak in mid-February.

Subsequent to the end of the fourth quarter, 40 dealers in Ontario and Alberta came on-line as a result of agreements we entered into that increased the number of accounts in our Esso retail branded distributorship business. These dealers, with an anticipated annual volume of 200 million litres of gasoline and diesel are expected to contribute to Parkland's growth in 2009.

While early profitability for 2009 is positive we recognize that Parkland operates in uncertain economic times. Demand for Parkland's products fluctuates to a certain extent with economic conditions and may deteriorate over time. Profit margins also vary from time to time in response to changes in demand and economic conditions in general. These factors represent a risk for Parkland's profitability going forward.

Fuel Volumes

Gasoline, diesel and propane volumes were strong with total sales of 664 million litres in the quarter ended December 31, 2008, an increase of 29% from 516 million litres for the same period in 2007. The increase resulted from the acquisitions completed over the past year. At the retail level, same-store fuel sales volumes increased approximately three percent over the prior year in our company operated and controlled sites but decreased approximately three percent in the independent dealer network.

Gross Profit

In addition to the retail margins for gasoline and diesel, we participate in the refiners' margins for a significant portion of our supply volumes. In the fourth quarter this participation yielded earnings approximately $3 million higher than the comparative period in 2007.

The contribution from this margin category has been highly variable over the past two years as it produced record results in 2007, then declined to minimal amounts in the first half of 2008 and recovered substantially in the past two quarters.

During the fourth quarter we received a one-time payment of $5.0 million as a fee to cancel the chemical processing arrangement which utilized part of our Bowden refinery. This is included in our profit margin and is a non-recurring item. We continue to use the Bowden site as a fuel terminal for internal and third party use and further development is under study.

Our operating and direct costs were $26.9 million in the fourth quarter compared to $32.4 million for the same period in 2007. Some of this decrease is driven by the decreased sales volume in the Commercial segment during the fourth quarter compared to 2007. In the fourth quarter of 2007 we reclassified as operating and direct costs approximately $7 million of local truck delivery expenses which had been recorded as cost of sales in the first three quarters.

Our marketing, general and administrative expenses were $13.4 million in the fourth quarter compared to $11.5 million for the same period in 2007. Included in this expense category are the operating costs related to our ERP implementation which is expected to be complete in 2009. Also included in this expense category is the $1.0 million write-off of the Beaver Hills refinery feasibility study, as a result of the previously disclosed termination of the project.

A comparison of EBITDA for the fourth quarter of 2008 with the fourth quarter of 2007, as well as full year 2008 compared to the prior year are available online at http://files.newswire.ca/714/EBITDA.pdf

Termination of Beaver Hills Project

In 2008 we participated in a feasibility study to assess the viability of building a condensate-based refinery in Edmonton. In the fourth quarter a decision was reached by the partners in the study to terminate the project and we wrote off $1.0 million which we had advanced in 2007 for our share of the study.

CONSOLIDATED HIGHLIGHTS
Financial Results

(in millions of Canadian dollars except volume and per Unit amounts)	Three months ended December 31, 2008	Three months ended December 31, 2007	Change
Fuel volume (millions of litres)	664	516	29%
Net sales and operating revenues	524.5	456.1	15%
Gross profit	65.4	61.8	6%
Gross margin	12.5%	13.6%	
Operating and direct costs	26.9	32.5	-17%
Marketing, general and administrative	13.4	11.5	17%
Income before income taxes	13.8	11.5	21%
Income tax (recovery) expense	3.7	1.3	
Net earnings	10.1	10.2	-2%
EBITDA (1)	25.1	17.9	40%
Earnings per Unit - basic	$ 0.20	$ 0.24	
Earnings per Unit - diluted	$ 0.20	$ 0.23	
Distributable cash flow (2)	17.7	16.2	9%
Distributions (3)	15.9	52.0	-70%
Distribution payout ratio – regular	90%	89%	
Distribution payout ratio – including year-end special		320%	

	Year ended December 31, 2008	Year ended December 31, 2007	Change
Fuel volume (millions of litres)	2,353	1,963	20%
Net sales and operating revenues	2,348.1	1,697.7	38%
Gross profit	221.4	232.5	-5%
Gross margin	9.4%	13.7%	
Operating and direct costs	92.0	77.7	18%
Marketing, general and administrative	48.2	39.8	21%
Income before income taxes	45.2	88.7	-49%
Income tax (recovery) expense	0.8	8.0	
Net earnings	44.4	80.7	-45%
EBITDA (1)	81.2	115.1	-29%
Earnings per Unit - basic	$ 0.88	$ 1.66	
Earnings per Unit - diluted	$ 0.88	$ 1.64	
Distributable cash flow (2)	69.9	100.6	-31%
Distributions (3)	63.4	90.5	-30%
Distribution payout ratio	91%	90%	

(1) 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, Accretion Expense, Refinery Remediation Accrual and Loss on Disposal of Capital Assets. It can be calculated from the GAAP amounts included in Parkland'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). Parkland 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. Parkland's definition of EBITDA may not be consistent with other providers of financial information and therefore may not be comparable.

(2) Please see Distributable Cash Flow reconciliation table in the MD&A

(3) 2007 includes year-end special distribution of $37.5 million

The MD&A as well as the complete audited Consolidated Financial Statements and Notes to Consolidated Financial Statements for the year ended December 31, 2008 are available online at http://files.newswire.ca/714/Parkland_FS_and_MDA.pdf

Fund Description

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 630 locations, Parkland has developed a strong market niche in Canadian non-urban markets focused in the West and Ontario. 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.

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.

Parkland'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”, “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 Parkland'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 Parkland'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 Parkland 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.

Conference Call

Parkland will hold a conference call for Analysts, Brokers and Investors to discuss fourth quarter and year end results as follows:

> Monday, March 2, 2009, 9:00 a.m. (11:00 a.m. Eastern Time)
> Direct: 416-644-3415
> Toll-free: 800-733-7560
> Passcode: 21296913 followed by the pound sign
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> The replay will be available as follows:
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> > From Monday, March 2, 2009, 9:00 a.m. (11:00 a.m. Eastern Time)
> > To Monday, March 16, 2009 at 9:59 p.m. (11:59 p.m. Eastern Time)
> > Direct: 416-640-1917
> > Toll-free: 877-289-8525
> > Passcode: 21296913 followed by the pound sign

Webcast

http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2542540

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For further information:

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If you prefer to receive Company news releases via e-mail, please request at corpinfo@parkland.ca.