FOR IMMEDIATE RELEASE: Friday, May 5, 2006

PARKLAND REPORTS RECORD FIRST QUARTER and ANNOUNCES MONTHLY DISTRIBUTION INCREASE

Performance Highlights:

- Record Volumes
- Record EBITDA for a first quarter
- Esso RBD fully operational
- Branded 100th Fas Gas Plus location

Red Deer, May 5, 2006 – Parkland Income Fund today announced record volumes, revenue, earnings and EBITDA for the three months ended March 31, 2006, creating an excellent beginning for the 2006 fiscal year.

President and CEO Mike Chorlton commented "Parkland's results in the first quarter exceeded expectations in what is typically the weakest quarter in Parkland's core business. Fuel gross margins grew stronger over the course of the quarter carrying positive momentum into the start of the second quarter. In addition to strong fuel margins, the quarterly performance reflects increasing contributions from convenience store merchandise sales and other non-fuel revenues, the ongoing success of the Fas Gas Plus site improvement initiative and the near full impact of the Imperial Oil Retail Branded Distributorship ("RBD")."

The Fund is pleased to announce that monthly distributions will be increased by one cent ($0.01) to eighteen cents ($0.18) per trust unit payable on June 15, 2006 to unitholders of record on May 31, 2006. This represents a 6% increase in the monthly distribution rate.

Consolidated Operating and Financial Highlights

	Three Months Ended March 31		
	2006	2005	2004
Sales Volumes, Refined Products (Millions of Litres)	329	268	257
Revenue (Millions)	$241.6	$ 177.1	$141.3
EBITDA* (Millions)	$ 8.2	$ 3.2	$ 3.1
Net Earnings (Millions)	$ 5.6	$ 0.8	$ 0.8
Per Unit – Basic	$ 0.45	$ 0.07	$ 0.07
Per Unit – Diluted	$ 0.45	$ 0.07	$ 0.07

*EBITDA is not a defined measure under Canadian Generally Accepted Accounting Principles (GAAP). In this document, EBITDA means earnings before Interest Expense, Income Taxes, Depreciation and Amortization. Parkland's definition of EBITDA may not be consistent with other issuers of financial information.

The consolidated statement of earnings has been changed to separate the major components of the amounts previously reported as "Marketing, General and Administrative" expense. The amounts are now reported as "Operating and Direct Costs" expense which includes all expenses directly related to the operation of our retail sites and "Marketing, General and Administrative" expense which includes the costs of marketing, administration and corporate overhead.

Three Months Ended March 31, 2006

Higher fuel volumes, higher average fuel margins and increased convenience store sales and margins all contributed to higher gross margins in the quarter. EBITDA increased by $5.0 million over 2005. Net earnings before income taxes were $5.6 million, significantly higher than the $0.8 million reported in 2005.

Gasoline and diesel volumes increased by 61 million litres in 2006 to 329 million litres. This increase was primarily due to the RBD program now in operation. Under this program, Parkland supplies branded fuel to independent branded retailers in Saskatchewan and Alberta.

Sales for the quarter ended March 31, 2006 were $241.6 million, an increase of 36.5 percent over the prior year. Fuel sales revenue increased to $228.4 million from $167.6 million in the prior year as a result of volume increases and higher average crude prices. Convenience store merchandise sales also increased with sales of $13.1 million in 2006 as compared to $9.5 million in 2005. Convenience store merchandise sales were up with 12 service stations being converted to company-operated stores.

Fuel cost of sales increased to $209.0 million in 2006 as compared to $155.7 million in 2005. Similar to sales revenue, cost of sales increased as a result of higher volumes and higher average per litre costs of fuel products. The cost of crude oil averaged 12% higher in 2006 than in the comparative quarter in 2005. Convenience store merchandise cost of sales increased to $9.8 million in 2006 from $7.1 million in 2005, consistent with the increase in merchandise sales.

These factors led to gross margins of $22.8 million in 2006, which was $8.5 million higher than the $14.3 million achieved in 2005. The largest single contribution to the increase was average fuel margins rising to 5.40 cents per litre compared to 3.84 cents per litre in the first quarter of 2005.

Site operating costs increased as 12 Fas Gas stations were converted to company operations. Site operating costs are also sensitive to changes in fuel volume sales and, as a result, total costs were higher than the prior year.

Marketing, General and Administrative expenses were $3.8 million for the quarter ended March 31, 2006 compared to $2.4 million in 2005. Drivers of increased costs included higher variable compensation costs arising from strong profits. The total for 2005 included a non-recurring credit adjusting accrued restructuring costs.

Net earnings were $5.6 million in 2006 compared to $0.8 million in 2005. The increase resulted primarily from the increase in gross margins, offset in part by increased site operating costs and marketing, general and administrative expenses. The same factors resulted in cash flow increasing to $8.0 million compared to $3.1 million in 2005.

During the first quarter the Fund expended $2.3 million in capital investments, of which $0.5 million was classified as maintenance capital and $1.8 million was classified as growth capital. The classification of capital as growth or maintenance is a subjective determination by management as many of the Fund's capital projects have components of both. It is the Fund's policy to treat all capital related to service station upgrades (i.e. Fas Gas Plus) as maintenance capital even though it includes the expectation of a financial return, while the construction of a new building on an existing site is considered growth capital. The ongoing capital investment program resulted in amortization increasing slightly to $2.3 million in 2006 from $2.2 million in 2005.

The growth capital related primarily to one carwash and two convenience stores which were completed during the quarter at company owned sites. One of the convenience store sites was Parkland's first new Esso site and includes a free-standing McDonald's restaurant.

For the quarter ended March 31, 2006 interest on long-term debt was $250,000. Approximately 76 percent of the Fund's long-term debt bears interest at variable rates linked to prime.

The cash balance at March 31, 2006 of $13.0 million increased from the December 31, 2005 balance of $8.3 million as cash flow was strong and non-cash working capital was decreased. The Fund has available a $28 million line of credit to finance letters of credit to secure obligations and fund short-term cash flow needs.

During the quarter ended March 31, 2006 Parkland decreased its long-term debt by $1.2 million as a result of normal repayment terms. At March 31, 2006 Parkland had $8.7 million in long-term debt excluding current portions. Management believes that cash flow from operations will be adequate to fund maintenance capital, interest and targeted distributions for 2006.

The financial statements include accounting estimates, the nature of which is described in the 2005 Annual Report. There were no transactions with related parties during the three months ended March 31, 2006.

Outlook

Fuel margins to date have carried positive momentum. Fuel margins are inherently volatile and are influenced by supply and demand factors both within Parkland's regional market area as well as the broader North American market. Accordingly management makes no attempt to give guidance in this area. The addition of the Esso stations and continued increases in non-fuel revenue are providing incremental earnings in 2006. Although not required to support targeted distributions, management continues to assess acquisitions or alliances which will add accretive cash flow and unitholder value. Readers are referred to the 2005 Annual Report for a detailed discussion of risks which may apply to Parkland.

Distributions

Commencing in July, 2002 the Fund established a monthly distribution policy whereby holders of record on the last day of a month would receive a distribution on the fifteenth of the following month. The monthly payment per unit was increased to $0.17 on November 15, 2005. An additional special distribution of $0.10 per unit was also declared for holders of record at December 30, 2005. Estimated distributions in 2006, assuming continued $0.18 per month payments, would be $26.2 million.

Cash Available for Distribution

$000's	For the three months ended March 31, 2006
Earnings Before Income Taxes	$ 5,635
Add back:	
Amortization	$ 2,301
Interest on Long-term Debt	$ 250
EBITDA	$ 8,186
Maintenance Capital Expended	$ (497)
Current Taxes and Interest	$ (294)
Cash Available for Distribution	$ 7,395
Cash Distributed	$ 6,320

* Cash available for distribution is not a defined measure under Canadian Generally Accepted Accounting Principles (GAAP). It is defined in the Fund's Trust Deed and generally represents the cash available to be distributed to the Fund's unitholders. The Fund's definition of cash available for distribution may not be consistent with other issuers of financial information.

The Directors review distributions quarterly giving consideration to current performance, historical and future trends in the business and the expected sustainability of those trends, as well as maintenance capital requirements to sustain performance.

Distribution Reinvestment Plan

Parkland Income Fund has established a Distribution Reinvestment Plan administered by Valiant Trust Company. Details are available from the Fund or from Valiant Trust Company.

Fund Description

The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta. The Fund, together with the limited partnership that issued the exchangeable LP Units, own, indirectly, securities which collectively represent the right to receive cash flow available for distribution from the business formerly operated as Parkland Industries Ltd., after capital taxes, debt service payments, maintenance capital expenditures and other cash requirements.

Parkland Income Fund operates retail and wholesale fuels and convenience store businesses under its marketing brands Fas Gas, Fas Gas Plus, Race Trac Fuels and Short Stop Food Stores and transports fuel through its Petrohaul division. Parkland has developed a strong market niche in western and northern Canada by focusing on non-urban markets.

Parkland Income Fund is listed on the TSX (PKI.UN).

This report contains forward-looking statements, including references to cash generated by operations, unitholder distributions and capital expenditures. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such 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. These factors are discussed in greater detail in filings made by Parkland with the Canadian provincial securities commissions.

Conference Call

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

Monday, May 8, 2006, 11:00 a.m. (1:00 p.m. Eastern Time)
Direct: 416-644-3432
Toll-free: 800-814-4853

The replay will be available as follows:

From Monday May 8, 2006, 1:00 p.m. (3:00 p.m. Eastern Time)
To Monday, May 22, 2006 at 9:59 p.m. (11:59 p.m. Eastern Time)
Direct: 416-640-1917
Toll-free: 877-289-8525
Passcode: 21184795#

Webcast

http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1426480

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