FOR IMMEDIATE RELEASE: Thursday, August 4, 2005

PARKLAND'S SECOND QUARTER MEETS EXPECTATIONS; ANNOUNCES NEW DISTRIBUTORSHIP WITH IMPERIAL OIL

Red Deer, August 4, 2005 – Parkland Income Fund today announced its business performance for the three months ended June 30, 2005. The Fund achieved record sales volumes and revenue for any second quarter. EBITDA was similar to 2003 although, as expected, down from the same quarter in 2004. The quarterly results provide a strong base towards meeting 2005 distributable cash targets.

Parkland also announced that it has entered into a Retail Branded Distributorship ("RBD") agreement with Imperial Oil Ltd. for Alberta and Saskatchewan.

Interim President and CEO John Schroeder commented "Parkland's results in the second quarter were in line with expectations and we look forward to a seasonally strong third quarter. We continue to be encouraged by increasing contributions from convenience store merchandise sales and non-fuel revenues along with the ongoing success of the Fas Gas Plus site improvement initiative. We expect that the RBD deal with Imperial will contribute increased cash flows commencing in late 2005."

The Fund is pleased to announce that monthly distributions will continue at the rate of fifteen cents ($0.15) per trust unit.

Consolidated Operating and Financial Highlights

	Three Months Ended June 30			Six Months Ended June 30		
	2005	2004	2003	**2005**	2004	2003
Sales Volumes, Refined Products (Millions of Litres)	**290**	283	262	**558**	540	474
Revenue (Millions)	**$208.2**	$179.3	$140.3	**$ 385.3**	$320.5	$268.9
EBITDA* (Millions)	**$ 9.4**	$ 15.0	$ 8.4	**$ 12.7**	$ 18.1	$ 13.3
Net Earnings (Millions)	**$ 6.9**	$ 12.5	$ 6.2	**$ 7.8**	$ 13.3	$ 9.1
Per Unit – Basic	**$ 0.56**	$ 1.03	$ 0.51	**$ 0.63**	$ 1.10	$ 0.75
Per Unit – Diluted	**$ 0.56**	$ 1.02	$ 0.51	**$ 0.63**	$ 1.09	$ 0.75

*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.

Three Months Ended June 30, 2005

Sales volumes of refined products increased over the prior year by 2% to 290 million litres. On the retail side, the Fund's initiative to increase average volumes per site led to a 2% volume increase to 124 million litres despite a 5% reduction in the number of retail stations from 216 to 206. This volume increase was driven by the ongoing Fas Gas Plus initiative which is generating increased volumes from existing sites combined with the rationalization of low volume stations. Wholesale volumes increased by 2% over the prior year to 166 million litres. Total revenue rose by 16% to $208 million from $179 million year over year due to higher volumes, a 30% increase in average underlying crude costs and a 25% increase in convenience store merchandise sales.

As previously forecast in our news releases, margins in the second quarter were significantly lower than in the same period in 2004 when tight supply conditions resulted in record fuel margins. Gasoline margins were also compressed as retail street prices did not adequately keep pace with the significant increases in crude costs, especially late in the quarter. The Fund benefited from improved diesel margins due to ongoing tight supply conditions. Overall, fuel gross margins were $19.8 million for the quarter, stronger than the $18.2 million achieved in the more typical 2003 period but down $7.3 million from the prior year.

Gross margins from convenience store merchandise sales increased by 34% over the prior year to $3.3 million as a result of increased sales and an improvement in average gross margins from 26.6% of sales in 2004 to 28.4% of sales for the comparative period in 2005.

EBITDA for the second quarter of $9.4 million was higher than 2003 EBITDA of $8.4 million but down from 2004 record EBITDA of $15.0 million. Marketing, general and administrative expenses were lower by $0.9 million from 2004 as a result of lower bad debts, fewer environmental expenditures and lower management and incentive accruals. These decreases were partially offset by increased variable costs incurred on higher retail volumes and by a higher level of Fas Gas Plus expenditures in the quarter.

Six Months Ended June 30, 2005

Sales volumes of refined products increased 3% over the prior year driven by increases in both wholesale and retail volumes. Revenue increased by $64.7 million or 20% through higher volume, higher crude oil prices and higher merchandise sales from our convenience store operations. Gross margins were $37.4 million, down from the record level of $44.3 million in 2004. Marketing, general and administrative expenses decreased $1.5 million due to lower bad debts, lower environmental costs and lower Fas Gas Plus expenditures partially offset by increased variable costs on higher retail fuel volumes. These factors contributed to a decrease in EBITDA to $12.7 million as compared to $18.1 million in the first six months of 2004. EBITDA in the first 6 months of 2005 was comparable to the $13.3 million achieved in 2003.

During the six month period, capital expenditures were focused on the Fas Gas Plus upgrade program, with 9 sites upgraded at a total cost of $1.5 million, of which $0.7 million represented maintenance capital and $0.8 million was charged to maintenance expense. The Fund continues to be encouraged by the strong volume and in-store performance generated by the Fas Gas Plus program and the overall growth in non-fuel margin.

The financial position of the Fund continues to be strong, with cash balances of $6.7 million at June 30, 2005. Long-term debt of $11.2 million was $2.0 million less than the balance at the end of December, 2004 as principal repayments exceeded new debt, and Parkland's long-term debt ratio was a conservative 0.45 times trailing 12 months EBITDA.

Outlook

Typically, the third quarter is Parkland's strongest quarter as it includes the summer driving season. Volumes are expected to remain strong and retail prices are trending higher than the second quarter levels. Overall, fuel margins have trended lower than in previous years with retail prices lagging increases in crude costs.

The Fund has reviewed its expenses and maintenance capital program and will defer some of its discretionary expenditures to protect its ability to meet targeted distributions until the direction of fuel margins becomes clearer and additional cash flow is generated by the new Imperial Oil RBD program. These actions to reduce expenditures and our strong cash position support our decision to maintain distributions at current levels.

The Fund continues to make progress on identifying operational alternatives for the Bowden refinery site. A number of promising projects are under active discussion with third parties. The implementation of these projects is expected to improve the operating cash flow from the refinery site 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. These acquisitions or alliances may be in our core fuel and convenience business, in related assets or infrastructure or in other diversified businesses which add value and reduce dependence on fuel margins.

Imperial Oil RBD Agreement

Parkland has signed an agreement to become a Retail Branded Distributor ("RBD") for Imperial Oil Ltd. in Alberta and Saskatchewan.

As the RBD in Alberta and Saskatchewan, Parkland will purchase the Esso branded products from Imperial and perform the fuel sales and service functions previously provided by Imperial to its Esso dealer network.

It is anticipated that the implementation process will commence late in the third quarter of 2005 and continue through the fourth quarter and into 2006. This business segment will be operated alongside Parkland's existing retail and wholesale divisions and is expected to add approximately 10% to Parkland's annual cash flow at maturity.

Parkland's management believes the Imperial RBD program is ideally suited to capitalize on the combined strengths of Parkland's focus in non-urban markets in Western Canada and Imperial's well recognized Esso brand. The Fund anticipates managing and growing the brand in this market area to the mutual benefit of Parkland, Imperial and the Esso dealer network.

Distributions

Parkland converted the business previously reported as Parkland Industries Ltd. into Parkland Income Fund effective June 28, 2002 and paid consistent $0.14 per unit monthly cash distributions from August 15, 2002 to August 15, 2004 at which time the monthly distribution was increased to $0.15 per unit. These distributions totaled $5.5 million for the three months ended June 30, 2005, or $22.0 million on an annual basis.

Cash Available for Distribution

(000's)	For the three months ended June 30, 2005	For the six months ended June 30, 2005
EBITDA	$ 9,424	$12,667
Maintenance Capital Expended	$ 1,195	$ 1,828
Capital Taxes and Interest	$ 445	$ 683
Cash Available for Distribution	$ 7,784	$10,156
Cash Distributed	$ 5,530	$11,045

* 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. Based on these factors, monthly distributions will continue at fifteen cents ($0.15) per unit. For the six months ended June 30, 2005 cash available for distribution was supplemented by opening cash reserves to meet the cash distributed total.

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, RT 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 second quarter results as follows:

Friday, August 5, 2005, 11:00 a.m. (1:00 p.m. Eastern Time)
Direct: 416-640-4127
Toll-free: 800-814-4853

The replay will be available as follows:

From Friday, August 5, 2005, 1:00 p.m. (3:00 p.m. Eastern Time)
To Friday, August 19, 2005 at 9:59 p.m. (11:59 p.m. Eastern Time)
Direct: 416-640-1917
Toll-free: 877-289-8525
Passcode: 21132523#

Webcast

http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1193720

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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)

Parkland Income Fund
Consolidated Balance Sheet

($ 000's)(Unaudited)	June 30, 2005	December 31, 2004
Assets		
Current Assets		
Cash	$ 6,673	$ 5,286
Accounts receivable	29,363	21,923
Inventories	17,874	17,973
Prepaid expenses	1,296	1,522
	55,206	46,704
Other	2,139	2,101
Capital assets	64,246	66,652
Future income taxes	1,850	1,960
	$ 123,441	$ 117,417
Liabilities		
Current Liabilities		
Accounts payable	$ 50,401	$ 40,315
Long-term debt - current portion	4,375	4,466
	54,776	44,781
Long-term debt	11,190	13,169
Asset retirement obligation	1,073	1,043
Refinery closure accrual	3,357	3,400
	$ 70,396	$ 62,393
Unitholders' Capital (Note 1)		
Class B Limited Partners' Capital	15,154	18,833
Unitholders' Capital	37,891	36,191
	53,045	55,024
	$ 123,441	$ 117,417

Parkland Income Fund
Consolidated Statement of Earnings and Retained Earnings

	3 Months ended June 30,			6 Months ended June 30,		
($ 000's except per unit amounts)(Unaudited)	2005	2004	2003	2005	2004	2003
Net sales and operating revenues	$ 208,177	$ 179,274	$ 140,253	385,258	$ 320,536	$ 268,941
Cost of sales and operating expenses	185,090	149,705	120,314	347,862	276,208	233,113
Gross margin	23,087	29,569	19,939	37,396	44,328	35,828
Expenses						
Marketing, general and administrative	13,663	14,578	11,555	24,729	26,271	22,558
Amortization	2,031	2,199	1,905	4,212	4,395	3,656
Interest on long-term debt	216	236	276	414	426	470
	15,910	17,013	13,736	29,355	31,092	26,684
Earnings before income taxes	7,177	12,556	6,203	8,041	13,236	9,144
Income taxes						
Current	159	20	5	159	39	11
Future	70	34	48	110	(129)	6
	229	54	53	269	(90)	17
Net earnings	6,948	12,502	6,150	7,772	13,326	9,127
Retained Earnings, beginning of period	-	-	-	-	-	-
Allocation to Class B Limited Partners	(2,105)	(5,293)	(2,805)	(2,376)	(5,650)	(4,175)
Allocation to Unitholders	(4,843)	(7,209)	(3,345)	(5,396)	(7,676)	(4,952)
Retained earnings, end of period	$ -	$ -	$ -	$ -	$ -	$ -
Net earnings per unit - basic	$ 0.56	$ 1.03	$ 0.51	$ 0.63	$ 1.10	$ 0.75
Net earnings per unit - diluted	$ 0.56	$ 1.02	$ 0.51	$ 0.63	$ 1.09	$ 0.75

Parkland Income Fund
Consolidated Statement of Cash Flows

($ 000's)(Unaudited)	3 Months ended June 30, 2005	2004	2003	6 Months ended June 30, 2005	2004	2003
Cash Provided By (used for) Operations						
Net earnings	$ 6,948	$ 12,502	$ 6,150	$ 7,772	$ 13,326	$ 9,127
Add (deduct) non-cash items						
Amortization	2,031	2,199	1,905	4,212	4,395	3,656
Unit option compensation	44	24	-	88	48	-
Accretion expense	15	15	14	30	30	28
Future taxes	70	34	50	110	(129)	6
Funds flow from operations	9,108	14,774	8,119	12,212	17,670	12,817
Net changes in non-cash working capital	4891	3,206	4,884	2,971	2,731	673
Cash from operating activities	13,999	17,980	13,003	15,183	20,401	13,490
Financing Activities						
Proceeds from long-term debt	-	879	502	158	2,063	502
Long-term debt repayments	(1,120)	(956)	(727)	(2,228)	(2,287)	(1,472)
Distributions to Class B Limited Partners	(1,675)	(2,121)	(2,324)	(3,491)	(4,332)	(4,658)
Distributions to Unitholders	(3,855)	(2,991)	(2,767)	(7,554)	(5,886)	(5,528)
Fund Units issued	577	118	34	1,206	564	34
Cash from(used for) financing activities	(6,073)	(5,071)	(5,282)	(11,909)	(9,878)	(11,122)
Investing activities						
Recovery (investment) in other assets	(69)	423	(83)	(38)	483	296
Refinery closure expenditures	(33)	-	-	(43)	-	-
Purchase of capital assets	(1,374)	(4,535)	(2,510)	(1,887)	(6,132)	(2,951)
Proceeds on sale of capital assets	81	102	-	81	962	-
Cash from (used for) investing activities	(1,395)	(4,010)	(2,593)	(1,887)	(4,687)	(2,655)
Increase (decrease) in cash	6,531	8,899	5,128	1,387	5,836	(287)
Cash and Cash equivalents, beginning of period	142	(346)	(2,768)	5,286	2,717	2,647
Cash and Cash equivalents, end of period	$ 6,673	$ 8,553	$ 2,360	$ 6,673	$ 8,553	$ 2,360
Cash Interest paid	$ 216	$ 236	$ 276	$ 414	$ 426	$ 470
Cash taxes paid	$ 159	$ 20	$ 5	$ 159	$ 39	$ 11

Parkland Income Fund
Notes to Consolidated Financial Statements
June 30, 2005

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, 2004. These financial statements should be read in conjunction with the annual financial statements and notes.

1. Unitholders' Capital

	6 Months ended June 30, 2005			12 Months ended December 31, 2004		
	Units (000's)		($000's)	Units (000's)		($000's)
Class B Limited Partnership Units						
Balance, beginning of period	4,307	$	18,833	5,411	$	31,487
Allocation of retained earnings	-		2,376	-		2,187
Distribution to partners	-		(3,491)	-		(8,534)
Exchanged for Fund Units	(586)		(2,564)	(1,104)		(6,307)
Balance, end of period	3,721		15,154	4,307		18,833
Fund Units						
Balance, beginning of period	7,914		36,191	6,721		39,250
Allocation of retained earnings	-		5,396	-		1,773
Unit option compensation	-		88	-		97
Issued under distribution reinvestment plan	17		367	22		441
Issued under unit option plan	65		839	67		864
Distribution to unitholders	-		(7,554)	-		(12,541)
Exchange of Limited Partnership units	586		2,564	1,104		6,307
Balance, end of period	8,582		37,891	7,914		36,191
	12,303	$	53,045	12,221	$	55,024

The table below represents the status of the Fund's Incentive Option Plan as at June 30, 2005 and the changes therein for the period then ended:

	Number of Options		Weighted average exercise price
Balance, beginning of period	437,974	$	15.26
Granted	240,000	$	21.58
Cancelled	(53,337)	$	17.99
Exercised	(64,327)	$	13.06
Balance, end of period	560,310	$	17.96
Exercisable options, end of period	142,380	$	15.09

Parkland Income Fund
Notes to Consolidated Financial Statements
June 30, 2005

Exercise prices for outstanding options at June 30, 2005 have the following ranges:
177,309 from $12.45 - $15.71, 153,001 from $17.62 - $18.97 and 230,000 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 7 - 10 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 6 months ended June 30, 2005 is $88,452 (June 30, 2004 - $48,292).

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.

	3 Months Ended			6 Months Ended		
($ 000's)(Unaudited)	Fuel Marketing	Merchandise	Total	Fuel Marketing	Merchandise	Total
June 30, 2005						
Net sales and operating revenues	$ 196,664	$ 11,513	$ 208,177	$ 364,284	$ 20,974	$ 385,258
Cost of Sales	176,852	8,238	185,090	332,553	15,309	347,862
Gross Margin	$ 19,812	$ 3,275	$ 23,087	$ 31,731	$ 5,665	$ 37,396
June 30, 2004						
Net sales and operating revenues	$ 170,053	$ 9,221	$ 179,274	$ 303,172	$ 17,364	$ 320,536
Cost of Sales	142,927	6,778	149,705	263,290	12,918	276,208
Gross Margin	$ 27,126	$ 2,443	$ 29,569	$ 39,882	$ 4,446	$ 44,328
June 30, 2003						
Net sales and operating revenues	$ 132,843	$ 7,410	$ 140,253	$ 255,434	$ 13,507	$ 268,941
Cost of Sales	114,628	5,686	120,314	222,908	10,205	233,113
Gross Margin	$ 18,215	$ 1,724	$ 19,939	$ 32,526	$ 3,302	$ 35,828

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

	Three months ended June 30,			Six months ended June 30,		
	2005	**2004**	**2003**	**2005**	**2004**	**2003**
Volume (millions of litres)						
Retail	123	122	114	239	235	222
Wholesale	167	161	148	319	305	252
Total volume	290	283	262	558	540	474
Revenue ($000's)						
Retail fuel	$ 94,016	$ 82,959	$ 67,387	$ 173,296	$ 148,570	$ 136,519
Wholesale fuel	$ 102,648	$ 87,094	$ 65,456	$ 190,988	$ 154,602	$ 118,915
Convenience stores	$ 11,513	$ 9,221	$ 7,410	$ 20,974	$ 17,364	$ 13,507
Total revenue	$ 208,177	$ 179,274	$ 140,253	$ 385,258	$ 320,536	$ 268,941
Gross margin ($000's)	$ 23,087	$ 29,569	$ 19,939	$ 37,396	$ 44,328	$ 35,828
Less :Merchandise gross margin	$ 3,275	$ 2,443	$ 1,724	$ 5,665	$ 4,446	$ 3,302
Non fuel revenue included in gross margin	$ 1,702	$ 1,275	$ 1,253	$ 3,331	$ 2,494	$ 2,368
Fuel gross margin	$ 18,110	$ 25,851	$ 16,962	$ 28,400	$ 37,388	$ 30,158
Cents per litre (CPL)	$ 0.0624	$ 0.0913	$ 0.0647	$ 0.0509	$ 0.0692	$ 0.0636
Station counts						
Fas Gas	120	156	182	120	156	182
Fas Gas Plus	52	29	6	52	29	6
Convenience stores	34	31	30	34	31	30
Wholesale	222	238	231	222	238	231
Total stations	428	454	449	428	454	449