

FOR IMMEDIATE RELEASE: Thursday, May 5, 2005

**PARKLAND'S FIRST QUARTER MEETS SEASONAL EXPECTATIONS;
ANNOUNCES INVESTOR CONFERENCE CALL**

Red Deer, May 5, 2005 – Parkland Income Fund today announced its business and financial performance for the three months ended March 31, 2005 met seasonal expectations and was consistent with the prior year.

President and CEO Andrew Wiswell commented “Parkland’s results in the first quarter were in line with expectations and we look forward to generating improved cash flow in the seasonally stronger second and third quarters. 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.”

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 March 31		
	2005	2004	2003
Sales Volumes, Refined Products (Millions of Litres)	268	257	212
Revenue (Millions)	\$ 177.1	\$141.3	\$128.7
EBITDA* (Millions)	\$ 3.2	\$ 3.1	\$ 4.9
Net Earnings (Millions)	\$ 0.8	\$ 0.8	\$ 3.0
Per Unit – Basic	\$ 0.07	\$ 0.07	\$ 0.25
Per Unit – Diluted	\$ 0.07	\$ 0.07	\$ 0.25

*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 March 31, 2005

Sales volumes of refined products increased by 4% to 268 million litres. Volume performance at our Fas Gas Plus retail sites drove higher retail volume and increased sales to reseller customers was the main contributor to higher wholesale volumes. Revenue rose by 25% to \$177.1 million from \$141.3 million year over year due to a 35% increase in underlying average crude costs and a 16% increase in convenience store merchandise sales.

As is typical in Parkland’s business, margins in the first quarter were lower than those historically encountered during the balance of the year as demand for gasoline is lower in

the winter months. Gasoline margins were further depressed as retail street prices did not adequately keep pace with the significant increases in crude costs incurred during the quarter. The Fund did benefit from improved diesel margins during the quarter due to tight supply conditions. The net result of these factors was fuel margins of \$11.9 million for the quarter, a \$0.8 million decrease from the prior year.

Gross margins from convenience store merchandise sales increased by 19% over the prior year to \$2.4 million as a result of increased sales and an improvement in average gross margins from 24.6% of sales in 2004 to 25.3% of sales in 2005.

EBITDA for the first quarter of \$3.2 million was consistent with prior year EBITDA of \$3.1 million. Total gross margins were 3% lower but these lower margins were offset by lower marketing, general and administrative expenses in the period. Expense decreases generally related to reduced Fas Gas Plus upgrade expenditures incurred in 2005 which were partially offset by increased variable costs related to higher retail fuel volumes and higher operating costs related to an increased number of convenience stores.

As expected, the Fund utilized previously existing cash balances to pay distributions during the quarter. However, the financial position of the Fund continues to be positive, with cash balances of \$0.1 million at March 31, 2005 going into our stronger Q2 and Q3. Long-term debt of \$12.3 million was \$0.9 million less than the balance at the end of December, 2004 as principal repayments exceeded new debt, and Parkland's long-term debt ratio, excluding current portion, was a conservative 0.40 times trailing 12 months EBITDA.

Outlook

The Fund expects improved results in the second quarter as market conditions improve. However, it does not expect to achieve the level of cash flow experienced in the second quarter of 2004 when tight supply conditions resulted in unusually high fuel margins. We anticipate market conditions for combined Q2 and Q3 to be consistent with historical trends. Overall for full year 2005, the Fund is targeting EBITDA to meet or exceed 2004 levels.

Key Initiatives

Each year, the Fund commits to key initiatives designed to drive positive change and support performance in future periods. It is expected that key actions taken in the first quarter of 2005 will contribute to continued positive results for the Fund in the future. On the organizational front, the Fund reorganized the structure of its marketing departments to provide for more focus and accountability from its marketing teams. This reorganization will increase focus on key business areas and build the quality of all of Parkland's brands.

The Fund has also made progress on identifying operational alternatives for the Bowden refinery site. Several promising projects have been identified and are being assessed.

Another important initiative is our enhanced focus on Environment, Health and Safety with the establishment of an internal committee, completion of an updated manual and the implementation of improved awareness and training.

A new Merchandise Wholesale Agreement which will reduce our overall supply costs was completed in the first quarter. Our key vendor agreements are consistently providing better product availability and promotion incentives as we continue to show strong year over year sales growth.

At the Board level, the Fund has brought forward a proposal to change its governance structure, replacing the individual trustees with a corporate trustee and reducing the number of our Directors / Trustees from 10 to 7. This will provide a more efficient and effective governance structure and will reduce on-going annual costs.

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.

Distributions

Parkland converted the business previously reported as Parkland Industries Ltd. into Parkland Income Fund effective June 28, 2002 and consistently paid \$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 March 31, 2005, or \$22.0 million on an annual basis.

Cash Available for Distribution

	For the three months ended March 31,
<u>2005</u>	
EBITDA	\$ 3,243
Maintenance Capital Expended	\$ 633
Interest	<u>\$ 198</u>
Cash Available for Distribution	<u>\$ 2,412</u>
Cash Distributed	<u>\$ 5,515</u>

* 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.

As expected, for the three months ended March 31, 2005, EBITDA was supplemented by cash balances to pay targeted distributions, maintenance capital and interest. Improved results, particularly in the second and third quarters are expected to be more than adequate to fund these expenditures.

The Trustees 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 are targeted to continue at fifteen cents (\$0.15) per unit.

Distribution Reinvestment Plan

Parkland Income Fund has established a Distribution Reinvestment Plan administered by Computershare Trust Company. Details are available from the Fund or from Computershare 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 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 first quarter results as follows:

Friday, May 6, 2005, 9:00 a.m. (11:00 a.m. Eastern Time)
Toronto: 416-640-4127
Toll-free: 800-814-4857

The replay will be available as follows:

From Friday, May 6, 2005, 11:00 a.m. (1:00 p.m. Eastern Time)
To Wednesday, May 20, 2005 at 9:59 p.m. (11:59 p.m. Eastern Time)

Toronto: 416-640-1917
Toll-free: 877-289-8525
Passcode: 21121648#

Webcast

Friday, May 6, 2005, 9:00 a.m. (11:00 a.m. Eastern Time)

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1090100>

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For further information:

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(If you prefer to receive Parkland's news releases via email, please request at corpinfo@parkland.ca).