PARKLAND REPORTS RECORD FOURTH QUARTER AND FISCAL YEAR

Performance Highlights

- Record fourth quarter and full year EBITDA
- Monthly distributions increased in December and January
- Special distribution at year end

Red Deer, February 25, 2008 – Parkland Income Fund today announced its business performance for the three months and year ended December 31, 2007. Annual volumes, revenue, earnings and EBITDA were all at record levels and allowed the Fund to increase monthly distributions to $0.105 per unit and declare special distribution payments at year end.

President and CEO Mike Chorlton commented "Parkland's results set a new record for fourth quarter EBITDA. The Commercial Division acquisitions that were completed during 2007 and specifically propane marketing contributed to our strong fourth quarter performance. These operations are counter-seasonal to Parkland's traditional Retail fuel marketing business and contribute most strongly in the winter season.

Parkland's financial results for the year ended December 31, 2007 set a new record for EBITDA at $115 million, substantially exceeding the previous record of $70.7 million realized in 2006. The performance of the acquisitions as well as growth in fuel volume and gross margins per litre within our existing business added significant earnings in 2007.

We were able to increase monthly distributions for the second time in 2007 by a further 8.5 percent in December to $0.105 per unit and declare an additional special distribution in December totaling $0.77 per unit. The increased level of monthly distributions was established after considering Parkland's budgets and business prospects for 2008."

Parkland's accounting policy related to valuation of inventory was changed from LIFO to FIFO in the fourth quarter of 2007. This change resulted in an increase in EBITDA and net earnings before tax in the amount of $4.2 million for the year ended December 31, 2007, $1.0 million for 2006 and $4.5 million for 2005. The 2006 and 2005 comparative numbers in this report are restated for this change.

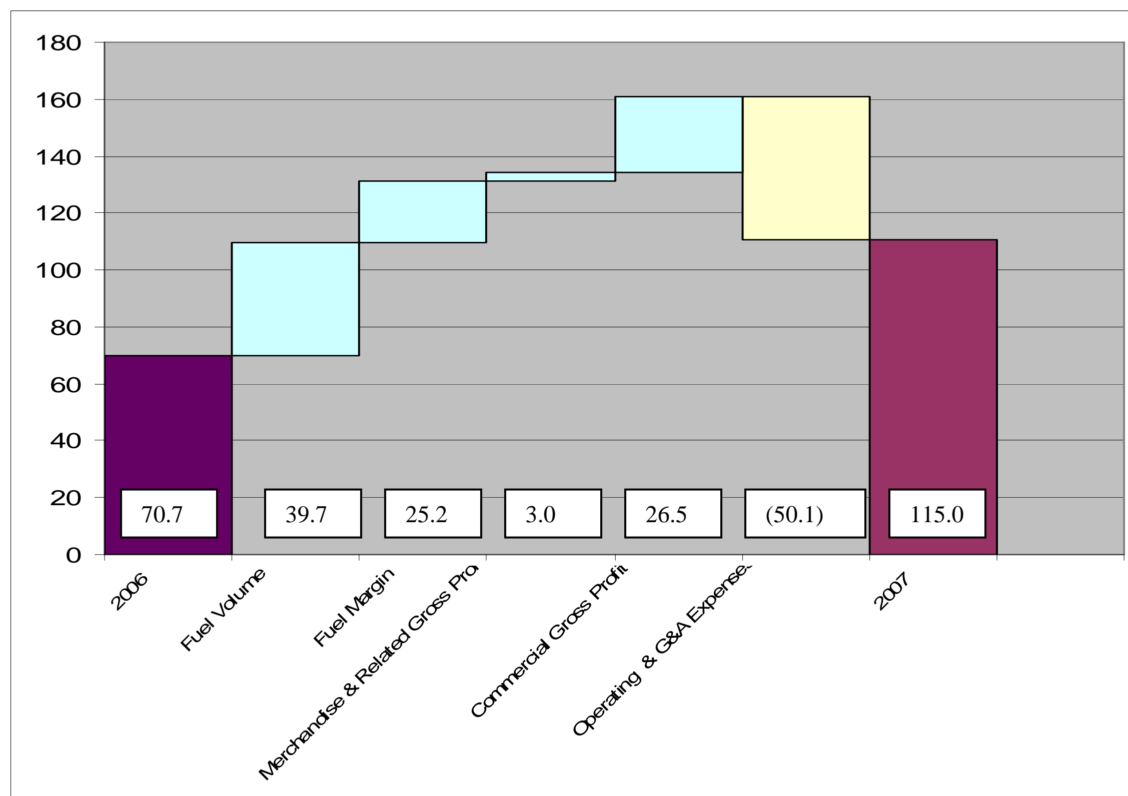
Outlook

Fuel margins in the first quarter of 2008 are at seasonal levels and operations remain profitable. Propane sales volumes are sensitive to weather conditions and as our marketing region experienced colder temperatures in parts of January and February, volumes increased. Oil and gas drilling in northern Alberta has been less robust than the prior year and forestry harvesting is at a cyclical low with the result that demand for fuels in the Commercial sector has moderated from the high growth levels seen in recent years. The grain segment of agriculture is at an all-time high driving strong demand for fuel and crop inputs. Parkland's operations in this region remain profitable with positive growth prospects. Management continues to assess acquisitions which will add accretive cash flow and unitholder value.

Consolidated Operating and Financial Highlights
($millions except volume and per unit amounts)

	Three months ended December 31			Twelve months ended December 31		
	2007	2006	2005	**2007**	2006	2005
Fuel volumes (millions of litres)	**541**	386	297	**2,030**	1,501	1,177
Net sales and operating revenue	**$ 456.2**	$ 278.9	$ 231.3	**$1,697.6**	$1,199.9	$ 875.5
EBITDA	**$ 17.9**	$ 10.6	$ 8.6	**$ 115.0**	$ 70.7	$ 41.2
Net earnings (loss)	**$ 10.2**	$ 15.5	$ 4.7	**$ 80.7**	$ 59.6	$ 29.5
Per unit – basic	**$ 0.24**	$ 0.39	$ 0.12	**$ 1.66**	$ 1.50	$ 0.75
Per unit – diluted	**$ 0.23**	$ 0.38	$ 0.11	**$ 1.64**	$ 1.48	$ 0.75

Year Over Year Changes in EBITDA



MANAGEMENT DISCUSSION and ANALYSIS

Non-GAAP Measures
EBITDA 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 and can be calculated from the GAAP amounts included in the Fund's financial statements. 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.

Accounting Policy Change

Parkland changed its accounting policy related to the valuation of inventory from last-in first-out (LIFO) to first-in first-out (FIFO) basis for the year ended December 31, 2007. This change has been mandated by new accounting standards for 2008 and the Fund has chosen to adopt the new standard early. With the acquisitions in 2007 of businesses with substantial volumes of non-fuel business, Parkland had significant categories of inventory that were historically recorded on a FIFO basis. In order to harmonize the accounting methods we opted for early adoption of the FIFO basis and applied the change retrospectively. The change resulted in higher gross profits, EBITDA and net earnings of $0.4 million in the fourth quarter of 2007 (2006 - $1.0 million, 2005 - decrease of $2.9 million). For the year ended December 31, 2007, gross profits, EBITDA and net earnings before tax increased by $4.2 million (2006 - $1.0 million, 2005 - $4.5 million).

THREE MONTHS ENDED DECEMBER 31, 2007

Quarterly Financial Information

Three months ended ($millions except fuel volumes and per unit amounts)		March 31	June 30	September 30	December 31
2007	Fuel volumes (millions of litres)	440	471	578	541
	Net sales and operating revenues	$334.0	$424.6	$482.9	$456.2
	Net earnings	$17.1	$22.0	$31.4	$10.2
	EBITDA	$23.1	$48.2	$25.8	$17.9
	Earnings per unit (restated)				
	– basic	$0.37	$0.42	$0.63	$0.24
	– diluted	$0.37	$0.42	$0.62	$0.23
2006	Fuel volumes (millions of litres)	329	374	412	386
	Net sales and operating revenues	$241.6	$320.2	$359.3	$278.9
	Net earnings	$8.7	$27.2	$8.2	$15.5
	EBITDA	$11.3	$29.7	$19.1	$10.6
	Earnings per unit (restated)				
	– basic	$0.22	$0.68	$0.21	$0.39
	– diluted	$0.22	$0.68	$0.20	$0.38

Volume

Fuel volumes increased by 155 million litres in the fourth quarter of 2007 to 541 million litres. The propane business acquired through the acquisitions of Neufeld and Joy earlier in 2007 contributed 44 million litres of new fuel volume. The wholesale, industrial and cardlock volumes of diesel and gasoline acquired through Neufeld and UPPI contributed significantly to the 109 million litre increase (44 percent) in wholesale gasoline and diesel compared to the same quarter in 2006. Fuel volumes from the retail business increased by 2 million litres compared to the fourth quarter of 2006 experiencing some restraint due to higher retail fuel prices and a modest weakening of the economy in western Canada.

Sales Revenue

Net sales and operating revenue for the quarter ended December 31, 2007 was $456.1 million compared to $278.8 million in 2006, an increase of $177.3 million or 64 percent, as our results show the activity from the companies that were acquired in 2007. Fuel sales revenue accounted for $414.2 million compared to $263.7 million in the same period last year, an increase of $150.5 million. The increase in fuel sales revenue of 57 percent was greater than the fuel volume increase of 40 percent, which reflects the increased retail selling prices in the fourth quarter of 2007.

Commercial product sales were $26.3 million for the quarter with a significant contribution from late season fertilizer sales. Parkland did not have significant operations in this segment prior to 2007.

Convenience store merchandise sales increased moderately with sales of $15.6 million in the quarter as compared to $15.2 million last year, an increase of 3 percent.

Net Earnings

Net earnings for the fourth quarter were $10.2 million compared to $15.5 million in the same period in 2006. Fourth quarter earnings in 2007 included $0.4 million ($1.0 million in 2006) arising from the inventory accounting policy change. Parkland was able to generate $8.4 million of gross profit from its commercial sales segment which was entirely attributable to the acquisitions completed in 2007.

Gross profits of $61.8 million for the quarter increased significantly from the $29.1 million in 2006. Marketing, general and administrative expenses increased by $5.3 million or 86 percent compared to the fourth quarter of 2006. The increase reflected the acquisitions of the new businesses and higher costs related to incentive compensation driven by both higher earnings and expanded operations. Operating and direct costs increased by $20.1 million or 162 percent over 2006 as a result of the acquisitions. The increase in operating costs related primarily to the acquired businesses.

In the fourth quarter of 2007, Parkland recorded a non-cash charge for future refinery remediation in the amount of $2.7 million (nil in 2006).

Current income tax charges were $1.3 million for the three months ended December 31, 2007 compared to a credit of $7.8 million in the comparative quarter of 2006. In the third quarter of 2006 taxable income was significantly greater than distributions made to unitholders and a tax provision was recorded in that period. An increase in monthly distributions combined with special distribution payments at December 29, 2006 reduced taxable income considerably which resulted in the Fund recording a current income tax recovery in the fourth quarter of 2006.

EBITDA for the quarter increased to $17.9 million, up from the $10.5 million generated in the same period of 2006.

Capital Assets

Capital expenditures in the fourth quarter of 2007 totaled $16.4 million. The major items include two small business acquisitions and three new retail sites.

YEAR ENDED DECEMBER 31, 2007

Net Earnings

Significantly higher fuel volumes, higher average fuel margins, increased convenience store sales and margins all contributed to higher net earnings in 2007. The acquisitions in 2007 played a major part in the increased business activity and earnings for the year. Parkland was able to generate $28.2 million of gross profit from its commercial sales segment which was mostly attributable to the Neufeld, Joy and UPPI acquisitions.

Gross profit was $232.5 million, an increase of $94.5 million over 2006. This increase was partially offset by a $19.8 million increase in marketing, general and administrative expenses over 2006 and a $30.4 million increase in operating and direct costs. The increased costs related

primarily from the acquired businesses and higher incentive compensation arising from higher profits and expanded operations.

EBITDA in 2007 was $115.0 million, an increase of $44.3 million or 63 percent over 2006, consistent with the increases in gross profits. Net earnings for the year of $80.7 million were significantly higher than the $59.6 million reported in 2006 and $32.9 million in 2005.

Volume

Fuel volumes increased by 529 million litres in 2007 to just over 2.0 billion litres. The propane business acquired through the acquisitions of Neufeld and Joy earlier in 2007 contributed 114 million litres of new fuel volume. The wholesale, industrial and cardlock volumes of diesel and gasoline acquired through Neufeld and UPPI contributed significantly to the 392 million litre increase (40 percent) in wholesale gas and diesel volumes over 2006. Retail volumes increased by 23 million litres (4 percent) over 2006.

The Fund's station upgrade program and addition of new Esso sites continues to drive moderate growth in retail volumes. Reseller volumes also increased to match product purchase availability. Retail volumes are driven by the number of stations in operation, general business and economic conditions, weather and competitive conditions in various markets. Reseller volumes are more dependent on general industry supply and demand conditions. Parkland plans to continue to generate modest volume increases through general market growth, improved performance at existing sites and the addition of new sites as opportunities arise.

Sales Revenue

Net sales and operating revenue for the year ended December 31, 2007 was $1.7 billion compared to $1.2 billion in 2006, an increase of 42 percent. In 2007, fuel sales revenue accounted for $1.558 billion compared to $1.140 billion in 2006, an increase of $418 million. Fuel sales revenue varies with fuel volumes, overall average crude prices and retail and wholesale margins. The increase in fuel sales revenue of 37 percent was slightly greater than the fuel volume increase of 35 percent, reflecting the increased retail selling prices in 2007.

Commercial product sales were $74.9 million for the year ended December 31, 2007 (nil in 2006) as this business segment originated with the acquisitions completed in 2007.

Convenience store merchandise sales also increased with sales of $64.5 million in 2007 as compared to $59.6 million in 2006, an increase of 8 percent. Convenience store merchandise sales were up primarily as a result of higher average sales per store.

Cost of Sales and Gross Profit

Fuel cost of sales increased to $1.370 billion in 2007 as compared to $1.018 billion in 2006. Similar to sales revenue, cost of sales increased as a result of higher volumes and higher average per litre costs of fuel products. Fuel costs are generally driven by changes in the underlying cost of crude oil. Convenience store merchandise cost of sales increased to $48.2 million in 2007 from $44.1 million in 2006, consistent with the increase in merchandise sales.

These factors led to gross profit of $232.5 million in 2007, which was $94.5 million higher than the $138.0 million achieved in 2006. This increase was primarily driven by higher average fuel margins which were 8.79 cents, on a per litre basis, compared to 7.58 cents the prior year. Additional increases resulted from a $0.9 million increase in convenience store margins, $28.2 million addition of gross profit on sales of commercial products and higher overall fuel volumes.

A key driver to margins is the Fund's ability to competitively purchase both fuel and convenience store merchandise. As one of the largest independent fuel retailers in western Canada, the Fund has established positive relationships with the key fuel suppliers in its market area and has long-term contracts with its three principal fuel suppliers. These contracts provide the Fund with a consistent source of supply at competitive prices. Additionally, the growth in the convenience store network and the implementation of the Short Stop Express marketing program has improved the Fund's relationships with wholesalers and other merchandise suppliers, providing better pricing, increased incentives and additional promotional support.

Operating Expenses

Operating and direct expenses for 2007 were $77.7 million, up from $47.3 million in 2006, an increase of 64 percent. These increased costs were primarily as a result of the acquisitions. Site operating costs are sensitive to changes in fuel sales volume and, as a result, total costs were higher than the prior year. Also affecting site operating costs is the continued upward pressure on wages that is being experienced in western Canada due to a robust economy and tight labor supply, specifically for convenience store personnel, truck drivers and trades personnel.

Marketing, general and administrative expenses were $39.8 million for the year ended December 31, 2007, an increase of $19.8 million over 2006 expenses of $20 million. Significant drivers of these increased costs were the inclusion of overhead costs of the acquired businesses and provision for higher variable compensation costs arising from strong profits. Staffing levels increased as a result of the acquisitions. The cost of hiring, compensating and retaining employees and consultants remains relatively high due to strong demand, particularly for those with specialized training and experience. The Fund is investing heavily in its employee base by providing for increased training throughout the organization, including the acquired companies. The Fund believes that this investment in its people will generate long term benefits including higher retention and improved efficiency. More onerous regulatory compliance activities are also contributing to the higher costs. Parkland incurred consulting costs during the second half of the year related to a business process reengineering project that has been initiated to improve efficiencies, strengthen internal controls and complete the integration of systems with the acquired companies.

The Fund incurred $0.2 million in maintenance expenses in 2007 and 2006 related to the Fas Gas Plus upgrade program. Although portions of the Fas Gas Plus program are recorded as maintenance capital, there are significant components which represent maintenance expenses. To a large extent these expenses are discretionary and are generating improved results at the upgraded sites.

Included in expenses for the 2007 calendar year are $2.5 million for environmental remediation costs as compared to $1.8 million in 2006. Generally, remediation costs for which the Fund is legally obligated are recorded as an Asset Retirement Obligation and expensed as accretion over the estimated life of the asset. Amounts included in remediation costs generally relate to costs at sites where the Fund decided to replace underground storage tanks even though it was not legally obligated to do so. It is the Fund's policy to upgrade tanks when a major site upgrade takes place, such as a conversion to a Short Stop convenience store. The Fund has a discretionary long-term tank replacement program and plans to continue incurring expenses annually to modernize its underground tank network and reduce its exposure to future environmental liabilities.

Refinery Assets

During 2007, Parkland continued its program of repairs to its storage tanks and voluntary remediation at the Bowden refinery site and incurred costs of $0.9 million related to this program. The refinery site generated revenue of $2.0 million during the year from its custom processing agreement with a petrochemical plant operator. The Fund has received notification from the petrochemical plant operator of its intent to terminate the agreement at the end of 2008. This will be an early termination under the contract and will give rise to a termination fee which will be quantified during 2008 depending on final processed volumes

The Fund incurred operating and repair costs totalling $2.4 million during 2007, resulting in a net loss of $0.4 million at its refinery site. Many of the repair costs were incurred in advance of applying for renewal of the refinery operating license and in preparation for potential additional operations at the site such as temporary fuel storage. The refinery license renewal was approved in 2007 and the Fund continues to pursue revenue generating opportunities at this site.

The Refinery Remediation Accrual represents the present value estimate of the Fund's cost to remediate this site. The total undiscounted estimated future cash flows, to be incurred over an extended period after operations cease, are approximately $13.8 million net of salvage value of equipment and will be accreted. Discounting these incremental cash flows resulted in a $2.7 million increase in the refinery remediation accrual at December 31, 2007. The costs are expected to be incurred between 2018 and 2027. The discount rate used to determine the present value of the future costs is 6.9 percent (2006 - 6.9 percent).

Capital Assets and Amortization

Amortization expense increased to $21.6 million in 2007 from $8.5 million in 2006. Amortization for capital assets acquired in 2007 plus amortization on intangible assets accounted for most of the increase compared to 2006.

During 2007, the Fund expended $28.9 million in capital investments, of which $14.6 million was classified as maintenance capital and $14.3 million was classified as growth capital. The classification of capital as growth or maintenance is subject to judgment 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 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. For accounting purposes, amounts expended on both maintenance and growth capital are treated as purchases of capital assets.

The primary components of maintenance capital in 2007 were $3.5 million for service station upgrades, $1.5 million for tank replacements, $2.0 million for technology initiatives, $1.3 million for trucks and trailers and $1.3 million for other projects.

The 2007 growth capital related primarily to major upgrades at existing retail sites, expansion of the trucking fleet, propane storage, tanks and the addition of three new company operated service station sites and 15 new independent dealers. The growth capital incurred related to independent dealers consisted primarily of new signage and pumps.

Parkland owns 104 of the sites in the Fas Gas and Short Stop retail chains, an industrial property in Red Deer which is used as a maintenance facility, a fuel terminal facility in Whitehorse and the refinery property. During 2007, the Fund acquired through corporate acquisition land, land improvements and buildings valued at $28.5 million including major facilities in Grande Prairie AB and Burnaby BC together with 17 branch locations. These properties are primarily in northern Alberta and British Columbia and represent branch locations. The Fund has lease-to-purchase

arrangements on 7 of the Fas Gas properties and long-term lease arrangements on an additional 39 sites.

Parkland operates through its Petrohaul division its own fleet of trucks to meet its fuel hauling needs. During 2007, the Fund also acquired the trucking fleets of Neufeld, Joy and UPPI. The long distance bulk carrier fleet as at December 31, 2007 consists of 62 trucks and 71 trailer units. Parkland is focused on continuing to integrate the distribution piece of its operations and capturing additional synergies in 2008. In the third quarter of 2007, the Fund recruited for and successfully filled the Vice President, Supply and Distribution position to provide strategic planning and leadership to this business unit.

The Fund is looking to consolidate and grow its trucking fleet to better serve its widespread and growing marketing network. The Fund's capital plan calls for the addition of 12 power units and trailers in 2008 as part of its long term objective of handling substantially all of its fuel hauling and reducing its reliance on third party carriers.

It is the Fund's policy to treat all capital related to the replacement and betterment of its fleet as maintenance capital even though it includes the expectation of a financial return, while the addition of new trucks and trailers to increase the size of the fleet is considered growth capital.

Interest

For the year ended December 31, 2007 interest on long-term debt was $1.7 million which was $0.7 million higher than the prior year. Debt levels have increased during the year while interest rates have stayed relatively steady, resulting in the increase in overall interest costs. Approximately 81 percent of the Fund's long-term debt bears interest at variable rates linked to prime.

Income taxes

In 2007, the Fund retained taxable income within corporate subsidiaries resulting in a current tax provision of $1.3 million compared to $0.8 million for 2006. Parkland's income taxes payable are typically nominal as it is a trust and taxes are paid on distributions directly by the Unitholders in Parkland or in its subsidiary, Parkland Holdings Limited Partnership. The 2007 provision results from capital taxes and from retaining funds for corporate purposes.

During the second quarter of 2007, a $7.5 million charge was recorded due to the enactment of the specified investment flow-through ("SIFT") tax legislation during the period. Under the new legislation, in 2011 and beyond, as distributions will no longer be tax deductible, the Fund will not be able to make distributions to reduce its taxable income and is no longer considered to be exempt from income taxes for accounting purposes. Accordingly, the future income tax liability was increased to reflect the current temporary differences expected to be remaining at the Trust level in 2011 using the SIFT tax rate of 31.5 percent. On October 30, 2007, the Government of Canada proposed rate reductions which, if and when enacted, would lower the SIFT tax rate to 28 percent and will reduce future corporate income tax rates by an additional 3.5 percent. With the new legislation, distributions to unitholders would be taxable beginning in 2011 as distributions will no longer be deductible by the Trust for income tax purposes. Such distributions would not be immediately taxable to investors: they would generally reduce the adjusted cost base of units held by investors, however, such distributions would potentially be at a lower payout ratio. The new legislation is not currently expected to directly affect our cash flow levels and distribution policies until 2011 at the earliest. The estimate of future income taxes is based on the current tax status of the Fund. Future events, which could materially affect future income taxes such as acquisitions and dispositions and modifications to the distribution policy, are not reflected under Canadian GAAP until the events occur and the related legal requirements have been fulfilled. As

a result, future changes to the tax legislation could lead to a material change in the recorded amount of future income taxes.

It should be noted that the charges for future income taxes are a non-cash charge, and are not a proxy for the amount of taxes the Fund may expect to pay starting January 1, 2011, effective with implementation of the federal government's Tax Fairness Plan.

The allocation of taxes to the Unitholders for 2007 is based on the calculated taxable income of the Fund as follows:

$000's		
Net income before tax		$88,739
Permanent differences		106
Timing differences		4,320
Taxable income		$93,165
Less income retained in taxable entities in the Fund		2,647
Taxable income to allocate to Unitholders		$90,518
Distributions		$90,518
Taxable portion of distributions		100%

The Fund's business has historically been seasonal and can be significantly affected by events occurring throughout the year. In the first quarter, fuel demand is relatively weak which causes excess supply and weaker market conditions. The second and third quarters significantly improve with spring and summer driving seasons and increased industrial and farm activity creating higher demand, while the fourth quarter sees a return to more average market conditions. With the addition of the acquired companies, some of whose business activities are counter seasonal to Parkland's, the impact of seasonality on the financial results each quarter have diminished in 2007. Propane and heating fuel sales are strong in the colder months and fertilizer and agricultural sales and services are strong in the spring and late fall.

In 2006, margins exceeded historical levels in each of the quarters with the second and third quarters being exceptionally strong. Margins were influenced by supply shortages within the western Canadian market as well as the North America wide market. Margins have continued to remain strong throughout 2007, with the peak in fuel margins occurring in the second quarter. Margins declined somewhat during the third quarter but remained strong by historical comparison.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Parkland's working capital increased to $28.1 million at December 31, 2007 as compared to $21.4 million at December 31, 2006. The change in accounting policy relating to inventories increased working capital by $13.2 million (2006 - $9.0 million). The cash balance at December 31, 2007 was $6.3 million compared to the December 31, 2006 balance of $36.5 million and cash generated from operating activities during 2007 was $82.8 million compared to $70.3 million in 2006. Cash of $14.8 million net was expended during the year in connection with financing activities and $98.3 million was expended in connection with investing activities, primarily the acquisitions and purchase of capital assets. Further details can be found in the Consolidated Statement of Cash Flows.

During the year the Fund entered into a credit agreement which included a $32.0 million revolving operating facility that will be used primarily for working capital requirements. The

facility also provides for letters of credit to a maximum of $30.0 million subject to margin calculations. The Fund has outstanding letters of credit as at December 31, 2007 of $25.1 million (2006 - $24.7 million).

The Commercial business typically extends credit to its customers on terms that exceed average receivable terms in Parkland's traditional fuel business. It is not uncommon for the Fund to experience an increase in trade receivables in the fourth quarter with collections occurring in the first and second quarters of the following year. The Fund increased its operating facility to ensure adequate working capital during this period.

Financing Activities

In January 2007, Parkland completed the issuance of 4,080,000 Fund units (post split) for net proceeds of $47.5 million on a bought deal basis through a syndicate of investment dealers. The proceeds were used in part to fund the purchase of Neufeld.

The Fund assumed debt totalling $30.1 million during the year in connection with the acquisitions of Neufeld Petroleum, United Petroleum Products Inc and Roblyn Bulk Sales. Parkland borrowed an additional $10 million under the Neufeld credit facility shortly after the acquisition. The Fund repaid all assumed debt using proceeds of $22.3 million from its revolving operating facility and $19.5 million in additional term loans.

At December 31, 2007 Parkland had $14.4 million in long-term debt (excluding $4.1 million of the current portion). Management believes that cash flow from operations will be adequate to fund maintenance capital, interest and targeted distributions. Growth capital expenditures in 2007 have been funded by existing cash balances, new debt financing and cash flow from operations. It is management's intent, on an ongoing basis, to finance growth capital through debt or the issue of additional units. Any additional debt would be serviced by anticipated increases in cash flow and it is expected that current debt to EBITDA ratios would be maintained.

On December 31, 2007, the Company was in compliance with all of the financial covenants under its syndicated credit facility. The ratios are tested on a trailing rolling four quarter basis. The financial covenants under the syndicated credit facility are as follows:

1. Ratio of current assets to current liabilities shall not be less than 1.05 to 1.00 on a consolidated basis;
2. Ratio of funded debt to EBITDA shall not exceed 2.50 to 1.00;
3. Ratio of EBITDA less capital expenditures and taxes to sum of interest, principal and distributions shall not be less than 1.00 to 1.00; and
4. Ratio of funded debt to capitalization shall not exceed 0.50 to 1.00.

In February 2008, the Fund accepted the terms and conditions of a financing arrangement with HSBC Bank Canada. The financing arrangement increased the Fund's credit facility from $128.1 million to $159.1 million. The financing arrangement is comprised of $32 million for operating debt, $30 million for letters of credit and the remainder for term debt. The increased financing will be used to finance growth opportunities in 2008.

Distributions

The following table sets forth the record date, date of payment, per Trust Unit amount of distributions paid and total cash distributed for 2007:

Record Date	Payment Date	Per Trust Unit	Total Cash Distributed (000's)
January 31, 2007	February 15, 2007	$0.0800	$3,699
February 28, 2007	March 15, 2007	$0.0800	$3,795
March 30, 2007	April 13, 2007	$0.0800	$3,797
April 30, 2007	May 15, 2007	$0.0800	$3,832
May 31, 2007	June 15, 2007	$0.0967	$4,675
June 29, 2007	July 13, 2007	$0.0967	$4,677
July 31, 2007	August 15, 2007	$0.0967	$4,678
August 31, 2007	September 14, 2007	$0.0967	$4,681
September 28, 2007	October 15, 2007	$0.0967	$4,686
October 31, 2007	November 15, 2007	$0.0967	$4,687
November 30, 2007	December 14, 2007	$0.0967	$4,688
December 31, 2007	January 15, 2008	$0.1050	$5,115
December 31, 2007	January 15, 2008	$0.3500(1)	$17,049
December 31, 2007	January 15, 2008	$0.4200(2)	$20,459(2)
Total distributions declared to Unitholders		$1.8719	**$90,518**

Notes:
(1) Represents the cash portion of a special distribution.
(2) Represents the portion of the special distribution that was distributed to unitholders by way of Trust Units.

On December 17, 2007, the Board of Directors met to review the results of operations for 2007 and the cash balance on hand and declared a special distribution of $0.77 per Fund unit. On January 7, 2008, the Board of Directors decided to pay the special distribution in a combination of cash and Fund units. The cash payments totalled $0.35 per Fund unit while the unit payments totalled $0.42 per Fund unit. The number of Fund units was established with reference to the 10 day weighted average trading price as at date of record December 31, 2007 which was $16.05 per unit. Consequently, the Fund unit portion of the special distribution was 0.02617 Fund units per Fund unit owned on the date of record.

Total distributions declared to Unitholders in 2007	$90,518
Total distributions declared to Unitholders in 2006	$56,171
Total distributions declared to Unitholders in 2005	$23,872
Total distributions declared to Unitholders in 2004	$21,075
Total distributions declared to Unitholders in 2003	$20,376
Total distributions declared to Unitholders in 2002	$13,208

Distributable Cash Flow

$000's	For the three months ended				For the year ended
	March 31	June 30	September 30	December 31	December 31
Cash flows from operating activities	$4,252	$54,946	$22,837	$801	$82,836
Less: Total capital expenditures	(3,413)	(3,421)	(7,353)	(16,371)	(30,558)
Standardized distributable cash flow ([1])	839	51,525	15,484	(15,570)	52,278
Add back					
Growth capital expenditures	626	1,993	1,547	11,844	16,010
Proceeds on disposal of capital items	298	418	242	125	1,083
Increase (decrease) in non-cash working capital	14,849	(18,374)	14,865	19,837	31,177
Distributable cash flow	$16,612	$35,562	$32,138	$16,236	$100,548
Distributable cash flow per unit					
- basic	$0.36	$0.72	$0.65	$0.33	$2.05
- diluted	$0.35	$0.71	$0.64	$0.32	$2.03
Distribution payout ratio [2]	68%	37%	44%	320% [3]	90%

(1) Standardized distributable cash flow is a measure defined by the Canadian Institute of Chartered Accountants (CICA), see discussion below.

(2) See Distributions Paid To Unitholders.

(3) Includes year-end special distribution of $37.5 million.

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

Parkland Income Fund 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 through its Petrohaul division. With over 550 locations, Parkland has developed a strong market niche in western and northern Canadian non-urban markets. Through Neufeld Petroleum and Propane the Fund markets propane, gasoline, diesel, lubricants, industrial fluids, agricultural inputs and delivery services to commercial and industrial customers in Northern Alberta, Northeastern British Columbia and the Northwest Territories. To maximize value for its unitholders, the Fund is focused on the continuous refinement of its retail portfolio, increased revenue diversification through growth in non-fuel revenues and active supply chain management. Parkland operates the Bowden refinery near Red Deer, Alberta producing drilling fluids on a contract basis.

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 operated by Parkland Industries Limited Partnership, after current taxes, debt service payments, maintenance capital expenditures and other cash requirements.

The Fund'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", "anticipates", "estimates", "continues", or similar words. 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.

Conference Call

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

> Tuesday, February 26, 2008, 9:00 a.m. (11:00 a.m. Eastern Time)
> Direct: 416-644-3418
> Toll-free: 800-732-6179
>
> The replay will be available as follows:
>
> > From Tuesday February 26, 2008, 9:00 a.m. (11:00 a.m. Eastern Time)
> > To Tuesday, March 11, 2008 at 9:59 p.m. (11:59 p.m. Eastern Time)
> > Direct: 416-640-1917
> > Toll-free: 877-289-8525
> > Passcode: 21263614#

Webcast
http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2173820

For further information:
Red Deer: Mike W. Chorlton, President and CEO (403) 357-6400
John G. Schroeder, Vice President and CFO (403) 357-6400

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

PARKLAND INCOME FUND

Consolidated Balance Sheet

($000's)		December 31, 2007		(restated - see Note 2) December 31, 2006
Assets				
Current Assets				
Cash and cash equivalents	**$**	**6,296**	$	36,462
Accounts receivable		**102,360**		40,294
Inventories (Note 4)		**48,476**		29,315
Prepaid expenses and other		**10,401**		3,874
		167,533		109,945
Capital assets (Note 5)		**179,952**		68,541
Intangible assets (Note 6)		**15,120**		-
Goodwill (Note 7)		**11,594**		-
Other long term assets		**1,514**		1,499
Future income taxes		**-**		1,438
	$	**375,713**	$	181,423
Liabilities				
Current Liabilities				
Bank indebtedness (Note 8)	**$**	**22,250**	$	-
Accounts payable and accrued liabilities		**85,311**		62,124
Distributions declared and payable		**22,175**		15,842
Income tax payable		**1,716**		459
Deferred revenue		**3,839**		-
Long-term debt - current portion (Note 9)		**4,101**		10,145
		139,392		88,570
Long-term debt (Note 9)		**14,392**		1,651
Refinery remediation accrual (Note 10)		**5,713**		3,038
Asset retirement obligations (Note 11)		**2,227**		1,140
Future income taxes (Note 17)		**5,284**		-
		167,008		94,399
Unitholders' Capital (Note 12)				
Class B Limited Partners' Capital		**12,606**		14,331
Class C Limited Partners' Capital		**54,121**		-
Unitholders' Capital		**141,978**		72,693
		208,705		87,024
	$	**375,713**	$	181,423

Consolidated Statements of Earnings and Other Comprehensive Income, Accumulated Other Comprehensive Income and Retained Earnings

For the years ended ($000's except unit and per unit amounts)	**December 31, 2007**	(restated - see Note 2) December 31, 2006
Net sales and operating revenue	**$ 1,697,663**	$ 1,199,866
Cost of sales	**1,465,155**	1,061,824
Gross profit	**232,508**	138,042
Expenses		
Operating and direct costs	**77,668**	47,342
Marketing, general and administrative	**39,846**	20,044
Amortization	**21,627**	8,453
Refinery remediation	**2,677**	-
Interest on long-term debt	**1,676**	1,044
Loss on disposal of capital assets	**275**	608
	143,769	77,491
Earnings before income taxes	**88,739**	60,551
Income tax expense (Note 17)		
Current	**1,280**	782
Future	**6,722**	193
	8,002	975
Net earnings	**80,737**	59,576
Other comprehensive income	**-**	-
Comprehensive income	**$ 80,737**	$ 59,576
Accumulated other comprehensive income, beginning of year	**$ -**	$ -
Comprehensive income	**-**	-
Accumulated other comprehensive income, end of year	**$ -**	$ -
Retained earnings, beginning of year	**$ -**	$ -
Change in accounting policy for restatement of inventory to FIFO (Note 2)	**-**	7,979
Allocation to Class B Limited Partners (Note 12)	**(14,339)**	(15,602)
Allocation to Class C Limited Partners (Note 12)	**(8,624)**	-
Allocation to Unitholders (Note 12)	**(57,774)**	(51,953)
Retained earnings, end of year	**$ -**	$ -
Net earnings per unit (Note 3)		
- basic	**$ 1.66**	$ 1.50
- diluted	**$ 1.64**	$ 1.48
Units outstanding (Note 12)	**49,986**	38,580

PARKLAND INCOME FUND

Consolidated Statement of Cash Flows

For the years ended ($000's)	**December 31, 2007**	(restated - see Note 2) December 31, 2006
Cash Provided By Operations		
Net earnings	**$ 80,737**	$ 59,576
Add (deduct) non-cash items		
Amortization	**21,627**	8,453
Loss on disposal of capital assets	**275**	608
Unit incentive compensation (Note 12)	**1,916**	341
Refinery remediation accrual (Note 10)	**2,677**	-
Accretion expense	**61**	60
Asset retirement obligation expenditures	**-**	(40)
Refinery remediation expenditures	**(2)**	-
Future taxes	**6,722**	193
Funds flow from operations	**114,013**	69,191
Net changes in non-cash working capital (Note 20)	**(31,177)**	1,057
Cash from operating activities	**82,836**	70,248
Financing Activities		
Long-term debt repayments	**(52,959)**	(4,815)
Distributions to Class B Limited Partners (Note 12)	**(15,998)**	(12,934)
Distributions to Class C Limited Partners (Note 12)	**(9,618)**	-
Distributions to Unitholders (Note 12)	**(44,443)**	(28,274)
Fund units issued (Note 12)	**50,133**	2,235
Proceeds from long-term debt	**29,554**	-
Net changes in non-cash working capital (Note 20)	**28,583**	12,500
Cash used for financing activities	**(14,748)**	(31,288)
Investing Activities		
Acquisition of Neufeld Petroleum (Note 13)	**(47,610)**	-
Acquisition of Joy Propane Ltd. (Note 14)	**(9,872)**	-
Acquisition of United Petroleum Products (Note 15)	**(10,425)**	-
Acquisition of Roblyn Bulk Sales Ltd. (Note 16)	**(2,491)**	-
Recovery in other assets	**(15)**	360
Purchase of capital assets	**(28,924)**	(12,846)
Proceeds on sale of capital assets	**1,083**	1,698
Cash used for investing activities	**(98,254)**	(10,788)
(Decrease) increase in cash	**(30,166)**	28,172
Cash and cash equivalents, beginning of year	**36,462**	8,290
Cash and cash equivalents, end of year	**$ 6,296**	$ 36,462

Notes to Consolidated Financial Statements

December 31, 2007
Dollar and unit amounts presented in tables are in thousands, except per unit and text information.

1. ACCOUNTING POLICIES

Basis of Presentation

Parkland Income Fund (the "Fund" or "Parkland") is an unincorporated, open-ended limited purpose mutual fund trust established under the laws of the Province of Alberta on April 30, 2002. The Fund was created to acquire the fuel marketing, convenience store and related ancillary businesses formerly owned by Parkland Industries Ltd. This acquisition was completed on June 28, 2002 through a Plan of Arrangement that resulted in the previous Parkland Industries Ltd. shareholders indirectly exchanging their shares for Units in the Fund or Class B Limited Partnership Units in Parkland Holdings Limited Partnership ("LP Units"), a limited partnership controlled by the Fund.

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly owned subsidiaries, partnerships and trusts. All significant accounts and transactions between consolidated entities are eliminated.

The LP units are, to the greatest extent possible, the economic equivalent to a unit in the Fund. The Class B LP units had a call feature which would have resulted in their conversion to trust units in June 2008 resulting in an income tax obligation to the holders. At a meeting of Class B LP unitholders on June 22, 2007 this call feature was deferred to June 30, 2011. In certain circumstances the Fund may compel the exchange of the LP Units. As such, the LP units, including both Class B and Class C units, are treated as being equivalent to Fund Units.

Use of Estimates

The preparation of the financial statements necessarily involves the use of estimates and approximations. Should the underlying assumptions change, the actual amounts could differ from those estimated.

Estimates are used when accounting for items such as allowance for doubtful accounts, asset retirement obligations, the refinery remediation accrual, amortization and income taxes. These estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

Inventories

The Fund values its inventories at the lower of cost and market value. The Fund uses the first-in first-out (FIFO) method of determining the cost of inventory.

Goodwill

The Fund must record goodwill relating to a corporate acquisition when the total purchase price exceeds the fair value for accounting purposes of the net identifiable assets and liabilities of the acquired company. The goodwill balance is assessed for impairment annually at year-end or as events occur that could result in an impairment. Impairment is recognized based on the fair value of the reporting entity compared to the book value of the reporting entity. If the fair value of the Fund is less than the book value, impairment is measured by allocating the fair value of the Fund to the identifiable assets and liabilities as if the Fund has been acquired in a business combination for a purchase price equal to its fair value. Any excess of the book value of goodwill over the implied value of goodwill is the impairment amount. Impairment is charged to earnings and is not tax affected, in the year in which it occurs. Goodwill is stated at cost less impairment and is not amortized.

Amortization

Amortization is provided for on a straight line basis over the estimated useful lives of assets at the following annual rates:

Land improvements	4 percent
Buildings	5 percent
Equipment	10 - 20 percent
Assets under capital lease	10 - 20 percent

Intangible Assets

Customer relationships and tradenames acquired during acquisitions are recorded at estimated fair value and will be amortized using the straight-line method over their estimated useful lives of 5 years. The value of non-compete agreements acquired was recorded at estimated fair value and will be amortized using the straight-line method over the term of the agreement. Intangible assets are tested for impairment when conditions exist which may indicate that the estimated future net cash flows from the asset will be insufficient to cover its carrying value.

Notes to Consolidated Financial Statements

1. ACCOUNTING POLICIES, continued

Deferred Revenue

Deferred revenue consists of deposits and prepayments by customers for the purchase of product not yet delivered and not recorded as revenue by the Fund.

Income Taxes

Income earned directly by the Limited Partnership is not subject to income taxes as its income is taxed directly to the Limited Partnership unitholders. Income earned in the Fund and distributed to the Fund unitholders is taxed directly to the Fund unitholders. Income taxes incurred by taxable entities controlled by the Fund are accounted for using the future method. Under this method, the Fund recognizes a future tax liability whenever recovery or settlement of the carrying amount of an asset or liability would result in future income tax outflow. Similarly, the Fund recognizes a future income tax asset whenever recovery or settlement of the carrying amount of an asset or liability would generate future income tax reductions.

Asset Retirement Obligations

The estimated future costs to remove underground fuel storage tanks at locations where the Fund has a legal obligation to remove these tanks are recorded as Asset Retirement Obligations at the time the tanks are installed. A corresponding increase to the carrying value of the fuel storage tanks is also recorded at installation. The Fund recognizes accretion expense in connection with the discounted retirement obligations and amortization in connection with the increase in carrying value over the estimated remaining life of the respective underground fuel storage tanks.

Long-Term Debt

Capital lease obligations, which relate to transactions which are similar in nature to a purchase, are capitalized and included in long-term debt.

Earnings Per Unit

Basic earnings per unit are calculated on the weighted average number of units outstanding for the period. Diluted earnings per unit are calculated by application of the Treasury Stock Method. Under this method, the diluted number of units are calculated based upon the weighted average number of units outstanding for the period plus the dilutive effect of the exercise of those employee options which were "in-the-money" during the period. Special distributions to unitholders in the form of additional units are recorded at the declaration date. The computation of earnings per unit for prior years are retroactively restated to reflect the change in units as a result of special distributions in the form of new units issued.

Revenue

The Fund recognizes revenue on its sale of goods when title passes to the purchaser or when services are rendered.

Grants of Options and Restricted Units

The Fund accounts for its grants of options and restricted units in accordance with the fair value based method of accounting for stock-based compensation.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments, such as money market deposits or similar type instruments, with a maturity of three months or less when purchased.

Prior Year Numbers

Certain prior year numbers have been restated to conform with current year presentation.

Notes to Consolidated Financial Statements

2. CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Fund adopted the Canadian Institute of Chartered Accountants (CICA) handbook sections 1530 "Comprehensive Income", section 3251 "Equity" and section 3855 "Financial Instruments - Recognition and Measurement". These standards result in changes in the accounting for financial instruments as well as introduction of accumulated other comprehensive income as a separate component of unitholders' capital. As required, these standards have been adopted prospectively and comparative amounts for the prior periods have not been restated.

Comprehensive Income

Comprehensive income is comprised of net earnings or loss and other comprehensive income ("OCI"). OCI represents the change in capital for a period that arises from, among other things, unrealized gains and losses on available for sale securities and changes in the fair value of derivative instruments designated as cash flow hedges. The Fund does not currently have any OCI.

Equity

This section establishes the standards for presentation of capital and changes in capital during the period. It requires separate presentation of changes in unitholders' capital for the period arising from net income, OCI, contributed surplus, retained earnings, unitholders' capital and reserves. Accumulated OCI would be included in the consolidated balance sheet as a separate component of unitholders' capital.

Financial Instruments

This section establishes standards for the recognition and measurement of financial instruments which is comprised of: financial assets, financial liabilities, derivatives and non-financial derivatives.

A financial asset is cash or a contractual right to receive cash or another financial asset, including equity, from another party. A financial liability is the contractual obligation to deliver cash or another financial asset to another party.

A derivative is a financial instrument whose value changes in response to a specified variable, requires little or no net investment and is settled at a future date. An embedded derivative is a derivative that is a part of a non-derivative contract and not directly related to that contract. Under this standard, embedded derivatives must be accounted for as a separate financial instrument. A non-financial derivative is a contract that can be settled net in cash or another financial instrument.

Under this standard, all financial instruments are initially recorded at fair value and are subsequently accounted for based on one of four classifications: held for trading, held-to-maturity, loans and receivables and other financial liabilities or available-for-sale. The classification of a financial instrument depends on its characteristics and the purpose for which it was acquired. Fair values are based upon quoted market prices available from active markets or are otherwise determined using a variety of valuation techniques and models.

i) Held for trading

Held for trading financial instruments are financial assets or financial liabilities that are purchased with the intention of selling or repurchasing in the near term. Any financial instrument can be designated as held for trading as long as its fair value can be reliably measured. A derivative is classified as held for trading, unless designated as and considered an effective hedge. Held for trading instruments are recorded at fair value with any subsequent gains or losses from changes in the fair value recorded directly into earnings.

All of the Fund's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and distributions declared and payable are designated as held for trading and are recorded at fair value.

ii) Held-to-maturity

Held-to-maturity investments are financial assets with fixed or determinable payments and a fixed maturity that the Fund has the intent and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method. Any gains or losses arising from the sale of a held-to-maturity investment are recorded directly into earnings.

The Fund has not designated any financial instruments as held-to-maturity.

2. CHANGES IN ACCOUNTING POLICIES, continued

iii) Loans and receivables and other financial liabilities

Loans and receivables and other financial liabilities are accounted for at amortized cost using the effective interest method of amortization.

The fair value of other assets and long-term debt approximate their carrying values due to their floating interest rates.

iv) Available-for-sale

Available-for-sale assets are those assets that are not classified as held for trading, held-to-maturity or loans and receivables. Available-for-sale instruments are recorded at fair value. Any gains or losses arising from the change in fair value is recorded in OCI and upon the sale of the instrument or other-than-temporary impairment, the cumulative gain or loss is transferred into earnings.

The Fund has not designated any financial instruments as available-for-sale.

The methods used by the Fund in determining the fair value of financial instruments are unchanged as a result of implementing the new standard.

Under this standard, all guarantees upon inception are required to be recognized on the balance sheet at their fair value. No subsequent re-measurement is required to fair value each guarantee at each subsequent balance sheet date unless the guarantee is considered a derivative.

Inventories

In June 2007, Canada's Accounting Standards Board (AcSB) issued CICA Handbook Section 3031, Inventories. This new standard provides considerable guidance when determining the cost of inventory. Where costs of inventory items cannot be specifically identified, costs must be assigned consistently on either a "first-in, first-out" (FIFO) or weighted average cost basis. A "last-in first-out" (LIFO) cost basis is no longer acceptable. The standard is effective for fiscal periods beginning on or after January 1, 2008. The Fund early adopted this standard effective January 1, 2007 and applied it retrospectively.

As a result of the early adoption of CICA Handbook Section 3031 Inventories and its retrospective application, the Fund recorded the following adjustments to the financial statements: Inventories increased $13.2 million (2006 - $9.0 million), Cost of Sales decreased $4.2 million (2006 - $1.0 million), Net Earnings increased $3.2 million (2006 - $0.8 million) and Unitholders' Capital increased $13.2 million (2006 - $9.0 million). Unitholders' Capital and Inventories at January 1, 2006 were increased by $8.0 million to reflect the impact of this change in accounting policy in prior years. The change in accounting policy increased Net Earnings Per Unit - Basic and Net Earnings Per Unit - Diluted by $0.09 (2006 - $0.03 and $0.02 respectively).

3. EARNINGS ANALYSIS AND EARNINGS PER UNIT

		(restated - see Note 2)
	2007	2006
Net earnings	**$ 80,737**	$ 59,576
Earnings per unit		
- basic	**$ 1.66**	$ 1.50
- diluted	**$ 1.64**	$ 1.48
Equivalent units outstanding, beginning of year	**39,858**	39,456
Weighted average of Class C units issued	**4,960**	-
Weighted average of Fund units issued	**3,801**	-
Weighted average of equivalent units issued pursuant to restricted unit plan	**26**	-
Weighted average of equivalent units issued pursuant to distribution reinvestment plan	**27**	45
Weighted average of equivalent units issued pursuant to exercise of unit options	**163**	249
Denominator utilized in basic earnings per unit	**48,835**	39,750
Incremental equivalent units outstanding that were dilutive	**460**	415
Denominator utilized in diluted earnings per unit	**49,295**	40,165

Equivalent units outstanding at January 1, 2006 and January 1, 2007 have been restated for the retroactive change resulting from the special distribution of units on December 31, 2007 and December 31, 2006 as well as for the three-for-one split on May 25, 2007.

Notes to Consolidated Financial Statements

4. INVENTORIES

	2007	(restated - see Note 2) 2006
Gas and diesel	**$ 33,241**	$ 25,358
Agricultural inputs	**4,624**	-
Convenience store merchandise	**4,448**	3,855
Lubricants	**2,749**	-
Propane	**2,297**	-
Other	**1,117**	102
	$ 48,476	$ 29,315

5. CAPITAL ASSETS

December 31, 2007	**Cost**	**Accumulated Amortization**	**Net Book Value**
Land	**$ 26,035**	**$ -**	**$ 26,035**
Land improvements	**9,572**	**2,666**	**6,906**
Buildings	**42,927**	**12,206**	**30,721**
Assets under capital lease	**15,554**	**9,547**	**6,007**
Equipment	**156,207**	**45,924**	**110,283**
	$ 250,295	**$ 70,343**	**$ 179,952**

December 31, 2006	Cost	Accumulated Amortization	Net Book Value
Land	$ 13,069	$ -	$ 13,069
Land improvements	6,940	2,278	4,662
Buildings	24,738	10,530	14,208
Assets under capital lease	14,038	7,996	6,042
Equipment	63,420	32,860	30,560
	$ 122,205	$ 53,664	$ 68,541

6. INTANGIBLE ASSETS

December 31, 2007	**Cost**	**Accumulated Amortization**	**Net Book Value**
Customer relationships	**$ 11,649**	**$ 1,724**	**$ 9,925**
Tradenames	**4,966**	**836**	**4,130**
Non-compete agreements	**1,146**	**81**	**1,065**
	$ 17,761	**$ 2,641**	**$ 15,120**

7. GOODWILL

Goodwill arose through acquisitions described in Notes 14 and 15.

8. BANK INDEBTEDNESS

On August 1, 2007, the Fund entered into a credit agreement with a syndicate of banks which included a revolving operating facility for working capital requirements to a maximum of $32 million (2006 - $32 million) and subject to margin calculations. The operating facility bears interest at the Prime Rate Advance Rate, a rate determined as the Bank's prime rate plus a percentage according to the ratio of funded debt 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. The effective rate of interest at December 31, 2007 was 6.0 percent.

Notes to Consolidated Financial Statements

9. LONG-TERM DEBT

	2007	2006
Bank loans	**$ 310**	$ -
Term loan	**14,167**	-
Mortgage payable	**248**	272
Capital lease obligations	**3,768**	4,529
Mortgages repaid during the year	**-**	2,959
Bank loans repaid during the year	**-**	4,036
	18,493	11,796
Less current portion	**4,101**	10,145
	$ 14,392	$ 1,651

Estimated repayments for the next 5 years are:	Obligations under capital leases	Other Loans
2008	$ 1,486	$ 2,615
2009	450	2,583
2010	388	2,565
2011	265	2,543
2012	265	2,504
Thereafter	2,376	1,915
	5,230	14,725
Interest expense included in minimum lease payments	1,462	-
	$ 3,768	$ 14,725

Bank Loans

Bank loans are payable in monthly instalments of $13,189 (2006 - $103,768) plus interest ranging from nil to six percent (2006 - 6.35 percent). The bank loans are secured by vehicles with a net book value of $346,233.

Term Loan

The term loan is repayable in monthly payments of $208,333 plus interest at the Prime Rate Advance Rate. The effective rate of interest at December 31, 2007 was 6.0 percent (2006 - 6.5 percent). The loan is due in August 2013. The obligations under the credit agreement are secured by a a mortgage over the Fund's real property, assignment of insurance and an unlimited guarantee from the secured entities.

Mortgage Payable

The mortgage payable is repayable in monthly instalments of $3,368 (2006 - $122,346) including interest at 6.25 percent (2006 - 6.7 to 6.8 percent). The mortgage is secured by real property with a net book value of $1,122,452 (2006 - $8,907,000) and matures in October 2008.

Capital Lease Obligations

Capital lease obligations are payable in monthly instalments totalling $197,305 including interest varying from 0 percent to 16.34 percent and prime plus 0.35 percent per annum. The effective rate of interest at year end for the prime based lease was 6.35 percent (2006 - 6.35 percent). The capital lease obligations are for land, buildings and equipment with a net book value of $5,826,677 and mature at various dates ending September 2022.

See Note 24 - Subsequent Events.

Notes to Consolidated Financial Statements

10. REFINERY REMEDIATION ACCRUAL

In December 2004, the Fund eliminated the carrying value of its Bowden refinery and recorded a net liability of $3.4 million for future estimated costs of remediation of the site, net of salvage value, based on the uncertainty of creating an alternative to the refinery being dismantled, remediated and sold for salvage values. The Refinery Remediation Accrual represents the present value estimate of the Fund's cost to remediate the site. $0.4 million of remediation costs incurred in 2006 were charged against the accrual.

During 2006, the Fund entered into a custom processing agreement to toll produce fluids used in the oilfields. The commercial agreement utilized a portion of the processing units at the refinery. The Fund is continuing to pursue other economically viable uses for the remaining processing units at the refinery and therefore any decision to dismantle, remediate and sell the refinery site has been deferred indefinitely. The Fund renewed its refinery operating license in 2007 and fully intends to maximize the revenue generating potential of this facility. The obligations relating to future environmental remediation, however, continue to exist.

Assuming the Fund continues operations at the refinery, remediation for any potential environmental liabilities associated with a complete dismantling of the site would be delayed indefinitely. The Fund has estimated the discounted cost of remediation on the basis that operations continue and that remediation would be part of a multi year management plan. Remediation costs have been estimated from independent engineering studies conducted in December 2007. The total undiscounted estimated future cash flows, to be incurred over an extended period after operations cease, are approximately $13.8 million net of salvage value of equipment and will be accreted. Discounting these incremental cash flows resulted in a $2.7 million increase in the refinery remediation accrual at December 31, 2007. The costs are expected to be incurred between 2018 and 2027. The discount rate used to determine the present value of the future costs is 6.9 percent (2006 - 6.9 percent).

11. ASSET RETIREMENT OBLIGATIONS

A reconciliation of the Fund's estimated liability for the removal of its underground storage tanks is as follows:

	2007	2006
Asset retirement obligations, beginning of year	**$ 1,140**	$ 1,120
Additions during the year	**70**	-
Expenditures during the year	**-**	(40)
Change in estimates	**956**	-
Accretion expense	**61**	60
Asset retirement obligations, end of year	**$ 2,227**	$ 1,140

The Fund is liable for the environmental obligations related to the removal of its underground storage tanks at properties that it leases. The Asset Retirement Obligation represents the present value estimate of the Fund's cost to remove these tanks. The total undiscounted estimated future cash flows required to settle the Fund's obligation increased to $3.2 million (2006 - $1.5 million), which primarily reflects the Fund's estimate of increased costs and inflation. Discounting these incremental cash flows resulted in a $1.0 million increase in the asset retirement obligation at December 31, 2007. The costs are expected to be incurred between 2007 and 2019. The discount rate used to determine the present value of the future costs is 6.9 percent (2006 - 6.9 percent).

Notes to Consolidated Financial Statements

12. UNITHOLDERS' CAPITAL

An unlimited number of Fund Units and LP Units may be created and issued, pursuant to the Fund Declaration of Trust and the Amended and Restated Limited Partnership Agreement, respectively, as outlined in the Plan of Arrangement.

Fund Units represent an undivided interest in the Fund. LP Units represent a partnership interest in Parkland Holdings Limited Partnership and are exchangeable on a one-for-one basis into Fund Units. Both Fund Unitholders and LP Unitholders are entitled to vote at meetings of the Fund and are entitled to distributions from time to time as determined by the Board of Directors.

	2007			(restated - see Note 2)		
	Number of Units		**Amount**	Number of Units		Amount
Class B Limited Partnership Units						
Balance, beginning of year	**8,566**	**$**	**14,331**	8,724	$	13,055
Adjustment to beginning retained earnings	**-**		**-**	-		1,793
Adjusted balance, beginning of year	**8,566**		**14,331**	8,724		14,848
Allocation of retained earnings	**-**		**14,339**	-		13,581
Additional allocation of retained earnings	**-**		**-**	-		228
Distribution to partners	**-**		**(15,998)**	-		(12,934)
Exchanged for Fund units	**(32)**		**(66)**	(158)		(1,392)
Balance, end of year	**8,534**	**$**	**12,606**	8,566	$	14,331
Class C Limited Partnership Units						
Balance, beginning of period	**-**	**$**	**-**	-	$	-
Adjustment to beginning retained earnings	**-**		**-**	-		-
Adjusted balance, beginning of year	**-**		**-**	-		-
Issued on capital acquisition, net of issue costs	**5,519**		**58,954**	-		-
Allocation of retained earnings	**-**		**8,624**	-		-
Additional allocation of retained earnings	**-**		**-**	-		-
Exchanged for fund units	**(354)**		**(3,839)**	-		-
Distribution to partners	**-**		**(9,618)**	-		-
Balance, end of period	**5,165**	**$**	**54,121**	-	$	-
Fund Units						
Balance, beginning of year	**30,014**	**$**	**72,693**	28,288	$	45,046
Adjustment to beginning retained earnings	**-**		**-**	-		6,186
Adjusted balance, beginning of year	**30,014**		**72,693**	28,288		51,232
Allocation of retained earnings	**-**		**57,774**	-		45,010
Additional allocation of retained earnings	**-**		**-**	-		757
Issued on vesting of restricted units	**26**		**-**	-		-
Unit incentive compensation	**-**		**1,916**	-		341
Issued for cash, net of issue costs	**4,080**		**47,037**	-		-
Issued under distribution reinvestment plan	**44**		**636**	63		491
Issued under unit option plan	**462**		**2,460**	339		1,744
To be issued to unitholders pursuant to special distribution	**1,275**		**20,459**	1,165		14,963
Distribution to unitholders	**-**		**(64,902)**	-		(43,237)
Exchange of Limited Partnership units	**386**		**3,905**	159		1,392
Balance, end of year	**36,287**	**$**	**141,978**	30,014	$	72,693
	49,986	**$**	**208,705**	38,580	$	87,024

On May 4, 2007 the Directors passed a resolution authorizing the Fund to provide for a division of its units on a three-for-one unit basis. The unit split did not change the rights of the holders of units and each unit outstanding after the split is entitled to one vote. These financial statements have been adjusted retroactively for the three-for-one split.

Of the 5.519 million Class C Limited Partnership units issued, 4.697 million units are subject to escrow provisions under which one third will be released in each of the three years from January 25, 2007.

12. UNITHOLDERS' CAPITAL, continued

Unit Option Plan

The Fund has a Unit Option Plan under which the Fund may grant up to 3,600,000 unit options to directors, officers, employees and consultants. The maximum number of options is reduced by the number of units allocated to the Restricted Unit Plan. The unit options have a 10 year term and, with limited exceptions, vest proportionally over the first three anniversary dates following the grant.

The table below represents the status of the Fund's Unit Option Plan as at December 31, 2007 and 2006 and the changes therein for the years then ended:

	2007			2006		
	Number of Unit Options		**Weighted Average Exercise Price**	Number of Unit Options		Weighted Average Exercise Price
Option units, beginning of year	**1,228**	**$**	**6.20**	1,650	$	6.03
Cancelled	**-**		**-**	(84)		7.01
Exercised	**(449)**		**5.50**	(338)		5.18
Option units, end of year	**779**	**$**	**6.60**	1,228	$	6.20
Exercisable options, end of year	**589**	**$**	**6.43**	813	$	5.58

Exercise prices for outstanding options at December 31, 2007 have the following ranges: 97,875 from $4.15 - $5.87, 196,908 from $6.32 - $6.68 and 484,019 from $6.73 - $7.27. These issue prices represent the market value at the time of issue. The corresponding remaining contractual life for these options range from 5 - 8 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 $0.4 million (2006 - $0.5 million). The compensation cost that has been included in marketing, general and administrative expenses is $0.2 million (2006 - $0.2 million).

The fair value of the options granted is estimated using the Black-Scholes options pricing model on the basis of the following assumptions:

Expected average annual distribution	$	1.80
Expected average volatility		20 percent
Weighted average risk-free interest rate		3.25 percent
Expected life		3 years

Restricted Unit Plan

Effective January 1, 2006, the Fund adopted a Restricted Unit Plan to complement the Unit Option Plan. Under the Plan the units granted in 2006 vest over a five year period and the units issued in 2007 vest over a three year period. The units are subject to entity performance criteria.

The table below represents the status of the Fund's Restricted Unit Plan as at December 31, 2007 and the changes therein for the year then ended:

	2007			2006		
	Number of Units (000's)		**Weighted Average Unit Price**	Number of Units (000's)		Weighted Average Unit Price
Restricted units, beginning of year	**131**	**$**	**6.60**	-	$	-
Granted	**191**		**12.83**	137		6.60
Issued	**(26)**		**6.60**	-		-
Cancelled	**(2)**		**12.38**	(6)		6.55
Restricted units, end of year	**294**	**$**	**10.62**	131	$	6.60

The Fund accounts for its grants of restricted units over the graded vesting schedule of each grant. Each grant of restricted units is treated as if the grant were a series of awards rather than a single award. The fair value of the award is determined based on the different expected lives for the restricted units that vest each year. The total cost to be reported for 2007 is $2.4 million (2006 - $0.8 million). The compensation cost that has been included in marketing, general and administrative expenses for 2007 grants is $1.8 million ($0.2 million for 2006).

Notes to Consolidated Financial Statements

13. ACQUISITION OF NEUFELD PETROLEUM AND PROPANE LTD. AND NEUFELD HOLDINGS LTD.

On January 24, 2007, the Fund acquired all of the outstanding shares of Neufeld Petroleum & Propane Ltd. and Neufeld Holdings Ltd. ("Neufeld Petroleum"). The transaction was accounted for using the purchase method with the allocation of the purchase price as follows:

Estimated fair value of net assets acquired:		
Capital assets	$	87,905.2
Working capital, net (excluding bank indebtedness)		24,750.0
Intangible asset - customer relationships		6,264.1
Intangible asset - tradenames		4,581.2
Intangible asset - non compete agreement		561.0
	$	124,061.5
Consideration:		
Cash paid to vendor	$	23,468.0
Class C Limited Partnership Units		47,620.1
Acquisition costs		1,982.5
Bank indebtedness assumed		2,137.8
Shareholder loans paid out		17,828.0
Management bonus paid out		4,331.1
Long-term debt assumed		26,694.0
	$	124,061.5

The effective date of the transaction was November 1, 2006. The interim period net earnings after tax to January 24, 2007 of $3 million have been credited to the purchase price.

14. ACQUISITION OF JOY PROPANE LTD.

On April 24, 2007, the Fund acquired all of the outstanding shares of Joy Propane Ltd. The transaction was accounted for using the purchase method with the allocation of the purchase price as follows:

Estimated fair value of net assets acquired:		
Capital assets	$	9,716.7
Working capital, other		1,056.0
Cash		1,414.0
Goodwill		4,488.9
		16,675.6
Consideration:		
Cash paid to vendor		11,201.5
Acquisition costs		84.6
Class C Limited Partnership Units		5,389.5
	$	16,675.6

The effective date of the transaction was February 28, 2007. The interim period net earnings after tax to April 24, 2007 of $168,500 have been credited to the purchase price. There is no tax basis on the goodwill. Goodwill relates to the Fuel Marketing segment.

Notes to Consolidated Financial Statements

15. ACQUISITION OF UNITED PETROLEUM PRODUCTS INC.

On May 28, 2007, the Fund acquired all of the outstanding shares of United Petroleum Products Inc. The transaction was accounted for using the purchase method with the allocation of the purchase price as follows:

Estimated fair value of net assets acquired:		
Capital assets	$	2,538.4
Working capital, net		2,240.6
Intangible asset - customer relationships		5,000.0
Intangible asset - non compete agreement		200.0
Goodwill		7,105.4
	$	17,084.4
Consideration:		
Cash paid to vendor	$	10,382.9
Acquisition costs		41.7
Class C Limited Partnership Units		5,944.7
Bank debt assumed		715.1
	$	17,084.4

The effective date of the transaction was May 1, 2007. The interim period net earnings after tax to May 28, 2007 of $247,000 have been credited to the purchase price. There is no tax basis on the goodwill. Goodwill relates to the Fuel Marketing segment.

16. ACQUISITION OF ROBLYN BULK SALES LTD.

On December 3, 2007, the Fund acquired all of the outstanding shares of Roblyn Bulk Sales Ltd., a distributor of bulk fuels located in Edson, Alberta. The transaction was accounted for using the purchase method with the allocation of the purchase price as follows:

Estimated fair value of net assets acquired:		
Capital assets	$	1,645.0
Working capital		246.3
Intangible asset - customer relationships		385.0
Intangible asset - tradenames		385.0
Intangible asset - non compete agreement		385.0
		3,046.3
Consideration:		
Cash paid to vendor		2,491.0
Long term debt assumed		555.3
	$	3,046.3

17. INCOME TAXES

Income tax expense varies from the amounts that would be computed by applying the Canadian Federal and Provincial income tax rates to earnings before provision for income taxes as shown in the following table:

		2007	**%**		2006	%
Provision for income taxes at statutory rates	**$**	**28,876**	**32.54**	$	19,673	32.49
Add (deduct) the tax effect of :						
Income earned in limited partnership		**(29,228)**	**(32.94)**		(18,560)	(30.65)
Effect of taxation of Trusts in 2011		**7,717**	**8.69**		-	-
Large corporation/capital taxes		**50**	**0.06**		89	0.15
Other		**587**	**0.66**		(227)	(0.37)
	$	**8,002**	**9.01**	$	975	1.62

17. INCOME TAXES, continued

The net future income tax liability is comprised of:

	2007	2006
Future income tax liabilities		
Capital assets carrying value in excess of tax values	**$ 248**	$ -
Effect of taxation of Trusts in 2011	**7,252**	-
Effect of LIFO to FIFO inventory adjustment	**2,017**	-
Future income tax assets		
Capital assets tax values in excess of carrying values	**(2,805)**	-
Refinery remediation	**(1,428)**	(1,438)
Net future income tax liability (asset)	**$ 5,284**	$ (1,438)

On June 12, 2007, the new Trust taxation rules previously announced by the government on October 31, 2006 became substantively enacted. As a result, the future income tax payable and corresponding future income tax expense on the Trust's temporary differences between the accounting basis and the tax basis of its assets and liabilities was recorded in the second quarter of 2007, which totalled $7.5 million. During 2007, the federal government substantively enacted various tax rate reductions, which lowered the corporate tax rates for the years 2008 to 2012 and beyond. The corporate tax rates were reduced from 20.5% in 2008 to an ultimate rate of 15% in 2012 and future years. These federal rate reductions also reduce the taxation rate applicable to trusts from 31.5% to 29.5% starting in 2011 and to 28% in 2012 and beyond. The Fund applied these rate reductions to its future income tax calculations in 2007, resulting in a total future income tax expense of approximately $7.3 million after adjusting for final changes in the third quarter to the purchase price allocation of the acquired companies.

18. COMMITMENTS

The Fund has contracted obligations under various debt agreements as well as under operating and capital leases for land, building and equipment. Minimum operating lease payments under the existing terms for each of the five succeeding years are as follows:

2008	$ 2,404
2009	$ 1,586
2010	$ 955
2011	$ 490
2012	$ 315
Thereafter	$ 577

The Fund has outstanding letters of credit totalling $25.1 million (2006 - $24.7 million) which mature at various dates to October 31, 2008. The Fund's credit facility provides for letters of credit to a maximum of $30.0 million, subject to margin calculations.

The Fund also has purchase commitments under its fuel supply contracts that require the purchase of approximately 1.9 billion litres of fuel products at variable costs over the next year.

19. FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, accounts receivable, tax payable, distributions payable, bank indebtedness, deferred revenue and accounts payable and accrued liabilities are equal to their carrying values due to their short term maturities. The fair value of the term loan and operating line of credit equal their carrying values as their interest rates fluctuate with the prime lending rate. The carrying values and fair values of mortgages payable, bank loans, capital lease obligations and mortgages and loans receivable are as follows:

	2007		2006	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Mortgages payable	**$ 248**	**$ 250**	$ 3,238	$ 3,228
Bank loans	**$ 310**	**$ 307**	$ -	$ -
Capital lease obligations	**$ 3,768**	**$ 4,197**	$ 4,529	$ 4,575
Mortgages and loans receivable	**$ 1,119**	**$ 1,170**	$ 1,393	$ 1,495

Fair value of mortgages payable, bank loans, mortgages and loans receivable and capital lease obligations are estimated using discounted cash flow analysis based upon incremental borrowing rates for similar borrowing arrangements.

The Fund does not have a significant credit exposure to any individual customer. The Fund reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Mortgages and loans receivable are receivable in monthly instalments of $38,310 (2006 - $38,787), bear interest at rates ranging between nil and 11 percent (2006 - nil and 13 percent) and are secured by specific assets of the mortgage.

Notes to Consolidated Financial Statements

20. NET CHANGES IN NON-CASH WORKING CAPITAL

	2007	2006 (restated - see Note 2)
Accounts receivable	$ (18,646)	$ (6,041)
Inventories	(7,926)	(2,374)
Prepaid expenses and other	(6,376)	(2,304)
Accounts payable	(55)	12,455
Income taxes payable	(1,871)	(679)
Deferred revenue	3,697	-
Subtotal for operating activities	$ (31,177)	$ 1,057
Operating line of credit	$ 22,250	$ -
Distributions declared and payable	6,333	12,500
Subtotal for financing activities	$ 28,583	$ 12,500
Other cash flow information		
Cash taxes paid	$ 2,802	$ 1,461
Cash interest paid	$ 1,676	$ 1,044

21. SEGMENTED INFORMATION

The Fund's operations have been predominantly in fuel marketing and convenience store sales in western Canada. With the acquisitions in 2007, the Fund now sells propane, fertilizer, lubes, other agricultural inputs and industrial products and services. The Fund's operating segments have been adjusted to reflect these changes.

Fuel Marketing includes sales of gasoline, diesel, heating oil, propane fuel and variable rents derived from service station sites. Convenience Store Merchandise continues to include the operations of the Fund owned and operated convenience stores that are integrated into fuel marketing sites and bear common operating costs. Commercial includes primarily the non-fuel components of the acquired businesses as noted in the previous paragraph.

Due to the amount of common operating and property costs it is not practical to report these segments below their respective gross profits. The segregation of capital expenditures and total assets is not practical as the reportable segments represent product sales that are generated from common locations.

	Fuel Marketing	Convenience Store Merchandise	Commercial	Total
Year ended December 31, 2007				
Net sales and operating revenue	**$ 1,558,220**	**$ 64,538**	**$ 74,905**	**$ 1,697,663**
Cost of sales	**1,370,257**	**48,154**	**46,744**	**1,465,155**
Gross profit	**$ 187,963**	**$ 16,384**	**$ 28,161**	**$ 232,508**
Year ended December 31, 2006 (restated - see Note 2)				
Net sales and operating revenue	$ 1,140,242	$ 59,624	$ -	$ 1,199,866
Cost of sales	1,017,707	44,117	-	1,061,824
Gross profit	$ 122,535	$ 15,507	$ -	$ 138,042

Notes to Consolidated Financial Statements

22. RELATED PARTY TRANSACTIONS

During 2007, Parkland paid $0.7 million (2006 - $0.4 million) for legal services to Bennett Jones LLP where David Spencer, a Parkland director, is a partner. The majority of services received related to documentation for the acquisitions and a new credit facility.

Parkland provides management, labor, accounting and delivery services to Neufeld Petroleum and Propane (High Level) Ltd. (NPPHL). NPPHL is owned by Abe Neufeld, Parkland's Vice President, Commercial Business Development and consists of a small scale Petro-Canada bulk fuel agency in High Level, Alberta. The services are provided by Parkland on a cost recovery basis and totaled $0.5 million during the year.

Parkland also sells fuel and related products to NPPHL. The total amount of sales during 2007 was $0.3 million. In addition, Parkland received rental income totaling $0.4 million from NPPHL.

The above transactions are all in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The exchange amounts represent normal commercial terms.

23. RECENT ACCOUNTING PRONOUNCEMENTS

Capital Disclosures and Financial Instruments - Presentation and Disclosure

The CICA issued three new accounting standards: section 1535 "Capital Disclosures", section 3862 "Financial Instruments - Disclosures" and section 3863 "Financial Instruments - Presentation". Section 1535 establishes disclosure requirements about an entity's capital and how it is managed. The purpose will be to enable users of the financial statements to evaluate objectives, policies and processes for managing capital. Sections 3862 and 3863 will replace section 3861 "Financial Instruments – Disclosure and Presentation", revising and enhancing disclosure requirements while carrying forward its presentation requirements. These new sections will place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The mandatory effective date is for annual and interim periods in fiscal years beginning on or after October 1, 2007. The Fund will begin application of these sections effective January 1, 2008.

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has adopted a strategy to apply IFRSs to publicly accountable enterprises in the future. In May 2007, the AcSB published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards into Canadian GAAP". This plan includes an outline of the key decisions that the AcSB will need to make as it implements the Strategic Plan for publicly accountable enterprises. One step in the implementation plan is for the AcSB to conduct a Progress Review to determine if the changeover date to IFRSs for fiscal years beginning on or after January 1, 2011 continues to be appropriate. The AcSB has commenced these activities and published its initial plan "Progress Review - Steps to IFRS Incorporation into Canadian GAAP" in July 2007.

On February 13, 2008, the AcSB confirmed the transition date of January 1, 2011. The transition date of January 1, 2011, will require the Fund to restate for comparative purposes amounts reported for the year ended December 31, 2010. The Fund is still investigating the impact of the adoption of IFRSs on its financial statements.

24. SUBSEQUENT EVENTS

Long-Term Debt

On February 13, 2008, the Fund accepted the terms and conditions of a financing arrangement with HSBC Bank Canada. The financing arrangement increases the Fund's credit facility from $128.1 million to $159.1 million. The financing arrangement is comprised of $32 million for operating debt, $30 million for letters of credit and the remainder for term debt. The increased financing will be used to finance growth opportunities in 2008.

Parkland Income Fund
Supplementary Information

($000's except volume)	Three months ended December 31 **2007**	2006	2005	Year ended December 31 **2007**	2006	2005
Volume (millions of litres)						
Retail gas and diesel	**139**	137	124	**550**	527	497
Wholesale gas and diesel	**358**	249	173	**1,366**	974	680
Propane	**44**	-	-	**114**	-	-
Total fuel volume	**541**	386	297	**2,030**	1,501	1,177
Net sales and operating revenue						
Retail gas and diesel	**$ 119,231**	$ 102,311	$ 67,774	**$ 469,966**	$ 433,495	$ 353,786
Wholesale gas and diesel	**266,540**	161,386	152,066	**1,025,281**	706,747	476,783
Propane	**28,397**	-	-	**62,973**	-	-
Fuel sales	**414,168**	263,697	219,840	**1,558,220**	1,140,242	830,569
Convenience store merchandise sales	**15,617**	15,179	11,540	**64,538**	59,624	44,970
Commercial sales	**26,349**	-	-	**74,905**	-	-
Total net sales and operating revenue	**456,134**	278,876	231,380	**1,697,663**	1,199,866	875,539
Gross profit	**$ 61,841**	$ 29,099	$ 23,941	**$ 232,508**	$ 138,042	$ 96,447
Less: Convenience store merchandise gross profit	**$ 3,802**	$ 3,833	$ 3,023	**$ 16,384**	$ 15,507	$ 11,856
Gross profit on commercial sales	**8,398**	-	-	**28,161**	-	-
Other revenue included in gross profit	**2,297**	3,118	1,738	**9,429**	8,824	7,014
Fuel gross profit	**$ 47,344**	$ 22,148	$ 19,180	**$ 178,534**	$ 113,711	$ 77,577
Cents per litre	**$ 0.0875**	$ 0.0574	$ 0.0646	**$ 0.0879**	$ 0.0758	$ 0.0659

Station counts:	2007	2006	2005
Retail			
Fas Gas	**36**	94	111
Fas Gas Plus	**92**	91	95
Race Trac	**2**		
Esso	**11**	6	115
	141	191	321
Wholesale			
Race Trac Fuels	**153**	188	215
Fas Gas Plus	**26**	16	-
Fas Gas	**32**		
Esso	**179**	170	-
	390	374	215
Total stations	**531**	565	536