

PARKLAND TO ACQUIRE NEUFELD PETROLEUM AND PROPANE BUSINESS FOR \$135 MILLION

- Expands business through acquisition of leading commercial fuel and propane supplier in Western Canada
- Highly complementary businesses increase scale and purchasing power; decrease seasonality
- Transaction is immediately accretive to Parkland
- Distribution increase to \$0.24 per unit per month anticipated after closing
- Abe Neufeld to join Parkland as Vice President

RED DEER, AB, December 21, 2006 - Parkland Income Fund (“Parkland” or the “Fund”) is pleased to announce that it has entered into a share purchase agreement to acquire all of the issued and outstanding shares of Neufeld Petroleum and Propane Ltd. and Neufeld Holdings Ltd. (together “Neufeld”), a leading fuel, propane and agricultural inputs supplier in Western Canada. Closing of the acquisition is expected on or about January 22, 2007, with an effective date of November 1, 2006.

Headquartered in Grande Prairie, Alberta, Neufeld is privately held and operates in 13 locations in northern Alberta, northeast British Columbia and the Northwest Territories. Neufeld is primarily engaged in the distribution of fuel, propane, agricultural inputs (fertilizers, farm chemicals, etc.) and industrial products (lubricants, frac oils, etc.) to commercial customers in its service areas. Neufeld also services residential customers for home heating needs.

Neufeld, established in 1971, has a very strong reputation in the markets it serves with a diversified customer base, servicing over 6,600 customers with no single customer representing over 1% of sales. In the last twelve months ended August 31, 2006, Neufeld generated total revenues and normalized earnings before interest, depreciation and amortization (“Normalized EBITDA”) of approximately \$221 million and \$21 million, respectively.

Parkland’s President and Chief Executive Officer, Mike Chorlton, said, “The acquisition of Neufeld is financially accretive to Parkland and will provide an attractive strategic platform on which to pursue additional growth opportunities in non-urban markets in Western Canada.”

“Parkland has a clear, disciplined approach to evaluating acquisition opportunities, and Neufeld met or exceeded all of our criteria. We are very excited to be adding a well-managed industry leader that is highly complementary to our existing business. This

acquisition provides immediate and long-term value to our unitholders, value and convenience to our customers, and opportunity to our employees,” added Chorlton.

The purchase price for Neufeld is expected to be approximately \$135 million, subject to closing adjustments relating to working capital and the after-tax earnings from the effective date to the closing date. The consideration to be paid will consist of approximately 1.6 million LP units (which are exchangeable into trust units of Parkland on a one-for-one basis) and the remainder in the form of cash or assumed debt. The LP units will be subject to escrow provisions under which one third of the units will be released in each of 2008, 2009 and 2010. On a pro-forma basis the vendor’s units will represent approximately 11.4% of Parkland’s units outstanding. Parkland will fund the cash component of the acquisition with Parkland’s cash balance and debt financing from a Canadian chartered bank with a potential public offering to follow. The transaction is subject to normal commercial closing conditions. The acquisition constitutes “normal growth” under the Department of Finance guidelines, meaning the Fund will maintain its current tax status.

Benefits of the Proposed Acquisition

The transaction is expected to be immediately accretive to the Fund’s distributable income per unit. As such, Parkland expects to increase its monthly cash distribution per unit by \$0.02 following completion of the acquisition.

Historic Results for the Neufeld Companies

	For the year ended August 31	
<i>in C\$ millions</i>	2005	2006
Revenue	152.3	221.0
Expenses	138.0	200.5
EBITDA	14.3	20.5

Based on financial statements of Neufeld companies for the years ended August 31, 2005 and 2006 with 2006 EBITDA normalized for non-recurring expense.

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.

Neufeld’s businesses are expected to provide the following benefits to Parkland:

- Diversifies Parkland’s existing business to include fuel, propane, industrial chemicals and agricultural inputs distribution to the oilfield services, forestry and agricultural sectors. Cartage also becomes a more significant component of the revenue stream.

- Decreases seasonality of Parkland's cash flow as Neufeld's operations are seasonally strong during the fall and winter months (October to March) while Parkland's operations are strong during the spring and summer driving seasons.
- Adds scale to Parkland's fuel products, offering potential for greater purchasing power and cost savings.
- Expands Parkland's fuel distribution capabilities and trucking fleet.
- Low maintenance capital of approximately \$3 million in Neufeld's 2006 fiscal year and beyond.
- Provides opportunities to cross sell Parkland's products and services to Neufeld's customers and vice versa.
- Expands Parkland's businesses into commercial customers in rural areas of similar geography.
- Cost savings are expected from improvement in trucking fleet utilization.
- Strong operating management team which will continue to manage and operate the business.

Abe Neufeld, a current owner and President and CEO of Neufeld will be joining Parkland as a Vice President. Mr. Neufeld will allow Parkland to seamlessly bridge the relationships Neufeld has developed with its customer base. "This is a very exciting and positive transaction for all concerned," said Mr. Neufeld. "I am committed to Parkland and believe that the combined business will be able to capitalize on organic growth and acquisition opportunities over the next several years. Our employees will be joining a larger, publicly-traded organization with extensive operations in Western Canada."

RBC Capital Markets acted as exclusive financial adviser to Parkland. The transaction was initiated by KPMG Corporate Finance Inc., exclusive financial advisor to Neufeld.

This transaction is subject to the parties obtaining certain regulatory approvals, including that of the Toronto Stock Exchange (TSX) and customary closing conditions.

Management Conference Call: December 22, 2006

Parkland will be conducting a conference call for investors, analysts, brokers and media representatives to discuss the acquisition of Neufeld Companies at 11:00 a.m. Eastern time (9:00 a.m. Mountain time) on December 22, 2006.

Friday, December 22, 2006, 9:00 a.m. (11:00 a.m. Eastern Time)

Direct: 416-644-3414

Toll-free: 800-733-7560

The replay will be available as follows:

From Friday, December 22 2006, 11:00 a.m. (1:00 p.m. Eastern Time)

To Friday, January 5, 2007 at 9:59 p.m. (11:59 p.m. Eastern Time)

Direct: 416-640-1917

Toll-free: 877-289-8525

Passcode: 21214370#

Webcast

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1685420>

About Parkland Income Fund

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. 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 maintains ownership of the Bowden refinery near Red Deer, Alberta, and has recently re-activated the site for production of drilling fluids.

The Fund's units trade on the TSX under the symbol PKI.UN. For more information, visit www.parkland.ca. The issuance of LP units in connection with this transaction is subject to the approval of the TSX.

FORWARD-LOOKING STATEMENTS

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 and include but are not limited to, statements regarding the value of future distributions to Unitholders, the accretive effects of the acquisition and the anticipated results and expected benefits of the acquisition upon closing thereof. 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.

For further information:

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