

THIS LETTER OF TRANSMITTAL IS FOR USE ONLY IN CONJUNCTION WITH THE PLAN OF ARRANGEMENT INVOLVING PARKLAND INCOME FUND, PARKLAND INDUSTRIES LTD., PARKLAND HOLDINGS LIMITED PARTNERSHIP, PARKLAND FUEL CORPORATION, SECURITYHOLDERS OF PARKLAND INCOME FUND AND THE HOLDERS OF CLASS B AND CLASS C LIMITED PARTNERSHIP UNITS OF PARKLAND HOLDINGS LIMITED PARTNERSHIP.

THIS LETTER OF TRANSMITTAL MUST BE VALIDLY COMPLETED, DULY EXECUTED AND RETURNED TO THE DEPOSITARY, VALIANT TRUST COMPANY. IT IS IMPORTANT THAT YOU VALIDLY COMPLETE, DULY EXECUTE AND RETURN THIS LETTER OF TRANSMITTAL ON A TIMELY BASIS IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED HEREIN.



**LETTER OF TRANSMITTAL
FOR UNITHOLDERS OF PARKLAND INCOME FUND AND
THE HOLDERS OF CLASS B AND CLASS C LIMITED PARTNERSHIP UNITS
OF PARKLAND HOLDINGS LIMITED PARTNERSHIP**

Please read the Instructions commencing on page 8 of this Letter of Transmittal carefully before completing this Letter of Transmittal.

TO: PARKLAND INCOME FUND
TO: PARKLAND FUEL CORPORATION
AND TO: VALIANT TRUST COMPANY, AS DEPOSITARY

This Letter of Transmittal is for use by registered holders of trust units ("**Trust Units**") of Parkland Income Fund (the "**Fund**") and registered holders of class B limited partnership units ("**Class B Units**") and class C limited partnership units ("**Class C Units**") and together with the Trust Units and the Class B Units, the "**Units**") of Parkland Holdings Limited Partnership ("**Holdings LP**") in connection with the proposed arrangement ("**Arrangement**") to be effected in accordance with Section 193 of the *Business Corporations Act* (Alberta) involving, among others, the Fund, Parkland Fuel Corporation ("**New Parkland**") and the registered holders of Units (the "**Unitholders**") pursuant to an Arrangement Agreement dated March 29, 2010, as described in the Management Information Circular of the Fund dated March 31, 2010 (the "**Information Circular**") and pursuant to the final order of the Court of Queen's Bench of Alberta issued in respect of the Arrangement on May 4, 2010. Pursuant to the Arrangement, Unitholders will receive, for each Trust Unit, Class B Unit and Class C Unit held, one common share of New Parkland (each, a "**Common Share**").

A Letter of Transmittal together with certificates representing the Units held by such Unitholder must be submitted in accordance with the instructions contained herein in order for such Unitholder to receive Common Shares pursuant to the Arrangement.

Capitalized terms used but not defined in this Letter of Transmittal which are defined in the Information Circular have the respective meanings set out in the Information Circular.

Provided that Holdings LP is a "SIFT Partnership" for the purposes of the Tax Act, a holder of Class B Units or Class C Units, as applicable, will generally be able to rely on the Exchange Rule contained in the Tax Act on the exchange Class B Units or Class C Units, as applicable, for Common Shares. The Exchange Rule provides for the tax-deferred exchange of Class B Units or Class C Units for Common Shares without any requirement to file a tax election. See *Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada - Exchange of Units for Common Shares* in the Information Circular.

There is some uncertainty about whether Holdings LP is a "SIFT Partnership" and thus whether the Exchange Rule will apply to the exchange of Class B Units or Class C Units, as applicable, for Common Shares. If Holdings LP does not constitute a "SIFT Partnership", the Exchange Rule will not apply to the exchange of the Class B Units or Class C Units, as applicable, for Common Shares, and a Unitholder who exchanges Class B Units or Class C Units for Common Shares as part of the Arrangement will, unless such Unitholder makes a joint election with New Parkland under section 85 of the Tax Act, generally realize a capital gain (or capital loss) equal to the amount by which the fair market value of Common Shares received is greater (or less) than the adjusted cost base of the Class B Units or Class C Units, as applicable, so exchanged plus any reasonable costs incurred by such Unitholder in connection with such exchange.

UNITHOLDERS WHO HOLD CLASS B UNITS OR CLASS C UNITS ARE STRONGLY ENCOURAGED TO FILE AN ELECTION UNDER SECTION 85 OF THE TAX ACT IN CONNECTION WITH THE ARRANGEMENT TO ENSURE TAX-DEFERRED TREATMENT ON THE DISPOSITION OF THEIR CLASS B UNITS OR CLASS C UNITS, AS APPLICABLE, FOR COMMON SHARES.

Each holder of Class B Units or Class C Units, as applicable, who is an Eligible Unitholder may elect to ensure that the exchange of such Class B Units or Class C Units, as applicable, for Common Shares pursuant to the Arrangement carried out as a tax-deferred exchange for Canadian federal income tax purposes by making the election in the tax election form (the "Tax Election Form") contained in the tax election instruction package (the "Tax Election Package") accompanying this Letter of Transmittal. However, in order to make this election, the Tax Election Form must be received by New Parkland by 4:30 p.m. (Calgary Time) on March 15, 2011 (the "Election Deadline"). New Parkland agrees only to execute and file duly completed Tax Election Forms received by it on or before the Election Deadline. Therefore, holders of Class B Units and Class C Units who do not deposit with New Parkland a duly completed Tax Election Form on or before the Election Deadline or do not otherwise comply with the requirements of the Tax Election Form and the instructions contained in the Tax Election Package, will not be able to ensure that their exchange of Class B Units or Class C Units, as applicable, for Common Shares pursuant to the Arrangement is carried out as a tax-deferred transaction under Canadian federal income tax laws. New Parkland will not be liable for any loss or damage resulting from the late filing of any Tax Election Form, the information contained in such Tax Election Form, or from the invalidation of any Tax Election Form. Thus, Eligible Unitholders are urged to contact their own tax advisors with regard to the preparation of the tax elections, having regard to their own personal circumstances.

Unitholders will not receive Common Shares (or dividends and distributions on the Common Shares following completion of the Arrangement) until they submit the certificates for their Units to the Depositary along with a duly completed Letter of Transmittal, and each certificate(s) formerly representing Trust Units, Class B Units or Class C Units, as applicable, that is not deposited with all other documents as required pursuant to the Plan of Arrangement on or prior to the date that is five years less a day following the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the Unitholder to receive the Common Shares (and any dividends and distributions thereon).

Unitholders whose Trust Units, Class B Units or Class C Units, as applicable, are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee for assistance in depositing such Units.

The undersigned delivers to you the following certificate(s) representing Trust Units, Class B Units and/or Class C Units to be exchanged for share certificates evidencing one or more Common Shares in accordance with the terms of the Arrangement described in the Information Circular. The following are the details of the enclosed certificate(s) (the "**Deposited Units**"):

Certificate Number	Name in which Registered	Number of Trust Units, Class B Units or Class C Units (as applicable)
Trust Units		
Class B Units		
Class C Units		
TOTAL		

(Please print. If insufficient space, attach a list in the above form)

The undersigned acknowledges receipt of the Information Circular and represents and warrants that:

- (a) the undersigned has full power and authority to deposit, assign and transfer the Deposited Units;
- (b) all information provided by the undersigned is true, accurate and complete;
- (c) when the Deposited Units are accepted for exchange by New Parkland, New Parkland will acquire good title to the Deposited Units free from all liens, charges, encumbrances, security interest, claims and equities;
- (d) the certificates described above, together with any certificates submitted with a separate Letter of Transmittal as required by the attached instructions, represents all of the Units owned by the undersigned; and
- (e) unless the undersigned shall have revoked this Letter of Transmittal by notice given to the Depository, the undersigned will not, prior to such time, transfer or permit to be transferred any of such Deposited Units.

IN CONSIDERATION OF THE ARRANGEMENT AND FOR VALUE RECEIVED the undersigned irrevocably assigns to New Parkland all of the right, title and interest of the undersigned in and to the Deposited Units and in and to any and all distributions, payments or other interests which may be declared, paid, accrued or transferred (collectively, the "**distributions**") on or in respect of the Deposited Units or any of them on or after the Effective Date of the Arrangement, as well as the right to receive any and all distributions.

The undersigned irrevocably constitutes and appoints each officer of the Depositary and each officer of Parkland Industries Ltd., and any other person designated by the Fund in writing, the true and lawful agent and attorney of the Deposited Units, in the name of and on behalf of the undersigned, to do such acts or take such actions with respect to the Deposited Units as necessary or advisable to give effect to the Arrangement.

The undersigned covenants and agrees to execute all such documents, transfers and other assurances as may be necessary or desirable to complete the exchange of certificate(s) representing the Deposited Units for Common Shares.

Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal may be exercised during any subsequent legal incapacity of the undersigned and all obligations of the undersigned in this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

By virtue of the execution of this Letter of Transmittal, the undersigned shall be deemed to have agreed that all questions as to validity, form, eligibility (including timely receipt) and acceptance of any Units deposited pursuant to the Arrangement will be determined by New Parkland in its sole discretion and that such determination shall be final and binding and acknowledges that there shall be no duty or obligation on the Fund, New Parkland, the Depositary or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give such notice.

Dated: _____

Signature guaranteed by (if required under Instruction 4):

Authorized Signature

Signature of Unitholder or Authorized Representative – see Instruction 3

Name of Guarantor (please print or type)

Name of Unitholder (please print or type)

Address (please print or type)

Telephone/Facsimile Number of Unitholder

Address (cont'd)

Name of Authorized Representative, if applicable
(please print or type)

The Depository and New Parkland are hereby authorized and directed to cause certificates representing the Common Shares, which the registered Unitholder noted herein is entitled to receive in exchange for the Deposited Units hereby deposited, to be registered in the name of the undersigned (unless alternative registration is required in the manner set forth below) which shall be delivered by first class mail to the address specified or held for pick up, if so indicated:

BOX A
(See Instructions 3 and 4)
ISSUE COMMON SHARE CERTIFICATES IN NAME OF (please print or type):
<input type="checkbox"/> Registered holder of Units or:

(Name)

(Street Address and Number)

(City and Province)

(Country and Postal (ZIP) Code)

(Social Insurance Number)

BOX B
(See Instructions 3 and 4)
SEND COMMON SHARE CERTIFICATES (unless Box C is checked) TO:
<input type="checkbox"/> Same address as Block A or to:

(Name)

(Street Address and Number)

(City and Province)

(Country and Postal (ZIP) Code)

BOX C
TO BE CHECKED ONLY IF THE COMMON SHARE CERTIFICATES ARE TO BE HELD FOR PICK UP, RATHER THAN MAILED, AT THE FOLLOWING OFFICE OF THE DEPOSITARY:
<input type="checkbox"/> Calgary
<input type="checkbox"/> Toronto
<input type="checkbox"/> Vancouver

RESIDENT UNITHOLDERS WHO HOLD CLASS B UNITS AND/OR CLASS C UNITS THAT ARE NOT TAX-EXEMPT SHAREHOLDERS

A Unitholder that holds Class B Units and/or Class Units and that: (i) is a Resident, and (ii) is not a Tax-Exempt Shareholder (an "**Eligible Holder**") is permitted to make an election under section 85 of the Tax Act with New Parkland. **HOLDERS OF TRUST UNITS SHOULD NOT FILL THIS SECTION OUT AS THEY ARE NOT REQUIRED TO FILL OUT A TAX ELECTION TO GET TAX-DEFERRED TREATMENT ON THEIR DISPOSITION OF TRUST UNITS FOR COMMON SHARES.** Holders of Class B Units and/or Class C Units who wish to file such an election must fill out the representations and instructions (as required) below.

1. **Non Tax-Exempt Status Requirement.** The undersigned represents and warrants to New Parkland that (check one of the following two boxes only, as applicable):

REPRESENTATION

- the undersigned is **NOT** exempt from tax under Part I of the Tax Act.

INSTRUCTION

If the undersigned has checked this box, the Unitholder is, subject to the residency requirement, permitted to file an election under Section 85 of the Tax Act with respect to Class B Units and/or Class C Units. **Proceed to the residency representation section below in section 2.**

OR (BUT NOT BOTH)

- the undersigned is exempt from tax under Part I of the Tax Act (a "**Tax-Exempt Shareholder**")

If the undersigned has checked this box, the Unitholder is not permitted to file an election under section 85 of the Tax Act. **No further action is required.**

Any holder of Class B Units and/or Class C Units that fails to check one of the above two boxes or that checks both boxes will be deemed to have represented and warranted that the Unitholder is a Tax-Exempt Shareholder.

2. **Residency Requirement.** The undersigned represents and warrants to New Parkland that (check one of the following two boxes only, as applicable):

REPRESENTATION

- the undersigned is, and will be at the Effective Time, a resident of Canada for purposes of the Tax Act or is a partnership that is a "Canadian partnership" for purposes of the Tax Act (a "**Resident**")

INSTRUCTION

If the undersigned has checked this box, the Unitholder is permitted to file an election under Section 85 of the Tax Act. **Proceed to the "Joint Tax Election" below in Section 3.**

OR (BUT NOT BOTH)

- the undersigned is **NOT**, and will **NOT** be at the Effective Time, a resident of Canada for purposes of the Tax Act and is **NOT**, and will **NOT** be at the Effective Time, a "Canadian partnership" for purposes of the Tax Act (a "**Non-Resident**")

If the undersigned has checked this box, the Unitholder is not permitted to file an election under Section 85 of the Tax Act. **New Parkland will contact such Unitholders. No further action required.**

Any Holder of Class B Units and/or Class C Units that fails to check one of the above two boxes or that checks both boxes will be deemed to have represented and warranted that the Unitholder is a Non-Resident unless (and to the extent) that New Parkland confirms that such holder is, in fact (in the discretion of New Parkland), a Resident. New Parkland will contact any such holder who is deemed to be a Non-Resident.

3. **Joint Tax Election Instructions.** An Eligible Holder who has received Common Shares in exchange for Class B Units and/or Class C Units is entitled to make an income tax election (a "**Joint Tax Election**"), pursuant to subsections 85(1) or 85(2) of the Tax Act, as applicable (and the analogous provisions of provincial income tax law) with respect to the transfer of such Class B Units and/or Class C Units for Common Shares.

ELECTION

INSTRUCTION

- | | |
|---|---|
| <input type="checkbox"/> Check here if you intend to make a Joint Tax Election with New Parkland | <u>Proceed to tax election package.</u> |
| <input type="checkbox"/> Check here if <u>DO NOT</u> intend to make a Joint Tax Election with New Parkland | <u>No further action required, but read the cautionary language immediately below.</u> |

THE TAX CONSEQUENCES TO A UNITHOLDER MAY BE SIGNIFICANTLY DIFFERENT AND ADVERSE IF A JOINT TAX ELECTION IS NOT MADE. UNITHOLDERS WHO HOLD CLASS B UNITS AND/OR CLASS C UNITS ARE STRONGLY ENCOURAGED TO FILE AN ELECTION UNDER SECTION 85 OF THE TAX ACT IN CONNECTION WITH THE ARRANGEMENT TO ENSURE TAX-DEFERRED TREATMENT ON THE DISPOSITION OF THEIR CLASS B UNITS OR CLASS C UNITS, AS APPLICABLE, FOR COMMON SHARES.

SEE "*CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS*" IN THE CIRCULAR FOR FURTHER INFORMATION.

Privacy Notice: The Depositary is committed to protecting Unitholders' personal information. In the course of providing services in connection with this Letter of Transmittal, the Depositary receives non-public personal information about Unitholders. This information includes names, addresses, social insurance numbers, securities holdings and other financial information. The Depositary uses this to administer Unitholders' accounts, to better serve the needs of Unitholders and clients of the Depositary, and for other lawful purposes relating to services provided by the Depositary. The Depositary has prepared a Privacy Code to inform Unitholders of its information practices and how a Unitholder's privacy is protected. It is available at the website of the Depositary, www.valianttrust.com, or by writing the Depositary at Suite 310, 606 - 4th Street S.W. Calgary, AB T2P 1T1. The Depositary will use the information provided by Unitholders on this form in order to process a Unitholder's request and will treat a Unitholder's signature(s) on this form as such Unitholder's consent to the above.

INSTRUCTIONS AND RULES

1. Use of Letter of Transmittal

- (a) This Letter of Transmittal (or a manually signed facsimile thereof) properly completed and duly executed as required by the instructions set forth below together with certificates representing the Deposited Units must be received by the Depositary at the office specified on the back page of this document.
- (b) The method used to deliver this Letter of Transmittal and any accompanying certificates representing Deposited Units is at the option and risk of the holder. Delivery will be deemed effective only when such documents are actually received by the Depositary at its office as specified. The Fund, Parkland Industries Ltd. and New Parkland recommend that the necessary documentation be hand delivered to the Depositary, at its office specified below, and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. Unitholders whose Trust Units, Class B Units or Class C Units, as applicable, are registered in the name of an investment dealer, stockbroker, bank, trust company or other nominee should contact that nominee for assistance in depositing those Units.

2. Registration and Delivery Instructions

The boxes entitled "Box A" and "Box B" should be completed by each Unitholder or such Unitholder's duly authorized representative regardless of whether certificates for the Common Shares to be issued pursuant to the Arrangement are to be: (a) issued in the name of a person other than the person signing the Letter of Transmittal; (b) sent to someone other than the person signing the Letter of Transmittal; or (c) sent to the person signing the Letter of Transmittal at an address other than that appearing below that person's signature. ***In the event that the boxes entitled "Box A" and "Box B", as applicable, are not completed by a Unitholder, the certificate representing the Common Shares to be issued to such Unitholder shall be registered in the name of such Unitholder as such name appears on the register of Unitholders, maintained by the Fund's transfer agent and shall be delivered to the address otherwise indicated by the Unitholder, or where no such address is indicated, to the Unitholder's latest address appearing on the register of Unitholders.*** See also Instruction 4 "Guarantee of Signatures" below.

3. Signatures

- (a) This Letter of Transmittal must be filled in and signed by the holder of Units described above or by such holder's duly authorized representative (in accordance with Instruction 5).
- (b) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such transmitted certificate(s) are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (c) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s):
 - (i) such deposited certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s); and
 - (ii) the signature(s) on such endorsement or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 4 below.

4. Guarantee of Signatures

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Deposited Units, or if Common Share certificates are to be issued to a person other than the registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the register of Unitholders maintained by the Fund's transfer agent, such signature must be guaranteed by a Canadian chartered bank, a major trust company in Canada or a participant in a recognized Securities Transfer Agents Medallion (STAMP) Program (an "**Eligible Institution**"). No guarantee is required if the signature is that of an Eligible Institution.

5. Fiduciaries, Representatives and Authorizations

Where this Letter of Transmittal is executed by a person acting in a representative capacity, such person should so indicate when signing and this Letter of Transmittal must be accompanied by satisfactory evidence of the authority

to act. The Fund, New Parkland or the Depository, in their discretion, may require additional evidence of such authority to act or additional documentation in respect thereof.

6. Miscellaneous

- (a) If the space on this Letter of Transmittal is insufficient to list all certificates for Deposited Units, additional certificate numbers and numbers of Deposited Units may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Deposited Units are registered in different forms (e.g., "John Doe" and "J. Doe") a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted.
- (d) Additional copies of the Information Circular and this Letter of Transmittal may be obtained from the Depository at the address listed on the back page of this document or through the SEDAR website at www.sedar.com.
- (e) By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned and, if applicable, each of the registered owner(s) of the accompanying certificate(s) shall be deemed to have required that any contract evidenced by a transaction as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné et les destinataires sont présumés avoir requis que tout contrat attesté par une offre acceptée par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.

7. Lost Certificates

If a certificate has been lost, stolen or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with an affidavit by the person claiming such certificate to have been lost, stolen or destroyed describing the loss to the Depository. The Depository will respond with the replacement requirements for lost or destroyed certificates.

8. Cessation of Rights

Any certificate representing Trust Units that is not deposited with the Letter of Transmittal on or before the date that is five years less a day following the Effective Date shall cease to represent a right or claim of any kind or nature and the right of the holder of Trust Units to receive Common Share certificates shall be deemed to be surrendered to New Parkland together with all dividends or distributions thereunder held for such holder.

9. Section 85 Elections

The Arrangement has been structured such that, generally speaking, each Eligible Unitholder who participates in the Arrangement and who does not make a joint tax election with New Parkland under section 85 of the Tax Act as set forth in the Letter of Transmittal with respect to the Class B Units and Class C Units held will, unless the Exchange Rule applies, be considered to have disposed of such Unitholder's Class B Units and Class C Units for proceeds of disposition equal to the fair market value of the Common Shares ultimately received on the completion of the Arrangement. There is some uncertainty as to whether the Exchange Rule applies and thus New Parkland strongly encourages Eligible Unitholders to make an election under section 85 of the Tax Act. For a discussion of the relevance and the potential tax advantage of making such an election with New Parkland under section 85 of the Tax Act, see "Certain Canadian Federal Income Tax Considerations" in the Information Circular. An Eligible Unitholder must provide the requisite federal (and, if applicable, provincial) tax forms to New Parkland by March 15, 2011. Eligible Unitholders should consult their own tax advisors to determine whether any separate election forms must be filed with any provincial taxing authority. Eligible Unitholders who wish to make an election under section 85 of the Tax Act, or under any provincial legislation, should submit the necessary election forms to New Parkland as soon as possible and prior to March 15, 2011. New Parkland will not be liable for any loss or damage resulting from the late filing of any Tax Election Form, the information contained in such Tax Election Form, or from the invalidation of any Tax Election Form. Thus, Eligible Unitholders are urged to contact their own tax advisors with regard to the preparation of the tax elections, having regard to their own personal circumstances.

**The Depository for the Arrangement is:
By Mail, Hand or Courier**

In Vancouver:

Valiant Trust Company
600, 750 Cambie Street
Vancouver, BC
V6B 0A2
tel: (866) 313-1872

In Calgary:

Valiant Trust Company
Suite 310
606 - 4th Street SW
Calgary, Alberta
T2P 1T1
tel: (866) 313-1872

In Toronto:

Valiant Trust Company
1800, 130 King Street West
Box 34
Toronto, Ontario
M5X 1A9
tel: (866) 313-1872

Any questions and requests for assistance may be directed by Unitholders to the Depository as set out above.