



LETTER OF INSTRUCTION FOR ELIGIBLE UNITHOLDERS
WHO HOLD CLASS B UNITS AND/OR CLASS C UNITS

Dear Unitholders:

This package (the "**Tax Election Package**") is made available to all Eligible Unitholders (as defined herein) who will exchange their Class B Units and/or Class C Units for common shares ("**Common Shares**") of New Parkland as part of the arrangement which will become effective December 31, 2010.

THIS MATTER REQUIRES YOUR IMMEDIATE ATTENTION. THE DEADLINE TO SUBMIT DOCUMENTS FOR EXECUTION BY NEW PARKLAND IS MARCH 15, 2011.

General Disclaimer

The following instructions are of a general nature only, may not be exhaustive and are not intended to be, nor should they be construed as, legal or tax advice to any particular Eligible Unitholder concerning the tax election (the "**Tax Election**"). Furthermore, neither the Fund or New Parkland has provided or will provide Eligible Unitholders with any advice respecting the Tax Election or the manner of completion or execution of the required forms by virtue of the following:

- the following instructions;
- the enclosed partially completed Canada Revenue Agency (the "**CRA**") form T2057; or
- New Parkland's execution of said forms.

Accordingly, Eligible Unitholders are urged to consult with their own tax advisors for specific advice in respect of making the Tax Election and the proper completion and execution of the required forms, having regard to their own personal circumstances. For further information, you may wish to review Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA, the text of which can be found on CRA's website at www.cra-arc.gc.ca.

Provincial Election Forms

Eligible Unitholders may be required to file additional elections in order to comply with provincial income tax laws analogous to or respecting section 85 of the *Income Tax Act* (Canada) (the "**Tax Act**"). Eligible Unitholders are urged to consult their own tax advisors for advice on any additional provincial filing requirements.

Contents of this Package

This Tax Election Package contains two copies of CRA form T2057 applicable for Unitholders that are not partnerships. If an Eligible Unitholder is a partnership, two copies of CRA form T2058 (not included) must be completed and forwarded to New Parkland for execution. CRA form T2058 is available on the CRA website mentioned above.

This package does not contain forms that may be required to be filed in compliance with provincial tax legislation. Eligible Unitholders are responsible for obtaining and completing such provincial forms and must submit any such forms to New Parkland for signature no later than March 15, 2011.

Who is Eligible to File a Tax Election

ONLY ELIGIBLE UNITHOLDERS ARE PERMITTED TO MAKE THIS ELECTION JOINTLY WITH NEW PARKLAND. SEE THE LETTER OF TRANSMITTAL FOR MORE INFORMATION ON MAKING THIS DETERMINATION

Purpose of the Election

For Canadian federal income tax purposes, the exchange of Class B Units and/or Class C Units for Common Shares may be a taxable event resulting in the holder thereof realizing a capital gain (or capital loss) to the extent that the fair market value of the Common Shares received is greater than (or less than) a Unitholder's tax cost of the Class B Units and/or the Class C Units plus any reasonable costs incurred by the Unitholder in connection with the exchange. However, each Eligible Unitholder has the option to elect to have the provisions of section 85 of the Tax Act apply to this exchange which ensures that a holder is permitted to defer all, or a portion of, the gain that may otherwise arise and thus be subject to Canadian federal income tax.

Section 85 Election

In order to have section 85 of the Tax Act apply to defer any potential gain on the exchange of Class B Units and/or Class C Units for Common Shares, the Tax Act requires that a joint election be filed between the Eligible Unitholder and New Parkland. Each Unitholder, under the Arrangement, will automatically transfer his, her or its Class B Units and/or Class C Units held on December 31, 2010 to New Parkland. In exchange for the Class B Units and/or Class C Units, New Parkland will issue the Common Shares to each former Unitholder on a one-for-one basis. If an Eligible Unitholder chooses to have section 85 of the Tax Act apply to this exchange, it is necessary to complete a specific election form which is prescribed under Canadian tax law. This form is to be completed in part by the Eligible Unitholder and in part by New Parkland. Although New Parkland must be a party to the election, determining the amount at which the disposition of the Class B Units and/or Class C Units is deemed to occur for tax purposes (the "**Agreed Amount**"), within the limits provided under section 85 of the Tax Act, is the responsibility of each Eligible Unitholder. To prevent any gain from being recognized, the Agreed Amount will usually equal the Eligible Unitholder's tax cost in the Class B Units and/or Class C Units for Canadian tax purposes.

Prescribed Election Form

The form prescribed under Canadian federal tax law which must be completed in order to make a section 85 election is CRA form T2057 "*Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation*". Unfortunately, this form is complex due to the inherent complexity of this section of the Tax Act and is usually prepared by tax professionals. However, as described below, we are attempting to simplify the process of completing these forms to the extent possible. There are no short-form versions of these forms available. This form, in its entirety, must be properly completed and delivered to New Parkland by the Eligible Unitholder no later than March 15, 2011. If the Eligible Unitholder is a partnership, CRA form T2058 "*Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation*" must be used, which is not provided and instructions to complete this form are not included.

Timing of Election

NEW PARKLAND MUST RECEIVE TWO (2) COPIES OF THE DULY COMPLETED ELECTION FORM (AND TWO (2) COPIES OF ANY APPLICABLE PROVINCIAL TAX ELECTIONS) NO LATER THAN MARCH 15, 2011. NEW PARKLAND AGREES ONLY TO EXECUTE AND FILE DULY COMPLETED FORMS RECEIVED BY IT ON OR BEFORE MARCH 15, 2011.

Who Should File the Election

Making the Tax Election to ensure tax-deferred treatment is at the discretion of each Eligible Unitholder. It is up to each Eligible Unitholder to decide whether filing the Tax Election is in the Eligible Unitholder's best interest.

Adjusted Cost Base of Class B Units and/or Class C Units

Perhaps the most important piece of information to be provided by each Eligible Unitholder on the tax election form is the Agreed Amount. Provided that the Agreed Amount is not: (i) greater than the fair market value of the Class B Units and/or Class C Units at the time of the exchange; and (ii) less than the lesser of the fair market value of the Class B Units and/or Class C Units and the adjusted cost base (the "ACB") of such Class B Units and/or Class C Units to the Eligible Unitholder at the time of the exchange, the Agreed Amount is then deemed to be the proceeds of disposition for purposes of calculating any gain (or loss) on the disposition of the Class B Units and/or Class C Units to New Parkland. Normally, to take maximum advantage of the tax deferral, an Eligible Unitholder would choose an Agreed Amount equal to the ACB of their Class B Units and/or Class C Units for Canadian tax purposes.

Each Eligible Unitholder's ACB calculation may be considerably complex. It is the sole responsibility of each Eligible Unitholder to calculate the ACB of the Class B Units and/or Class C Units he, she or it holds. Eligible Unitholders should consult their own tax advisors if they have any questions concerning this aspect of the Tax Election. New Parkland will not provide assistance in determining an Eligible Unitholder's ACB outside of the information already provided to the public.

Fair Market Value of Class B Units and/or Class C Units

The fair market value of the Class B Units and/or Class C Units exchanged for Common Shares must be determined on a reasonable basis. There is no specific method prescribed by the CRA for determining the fair market value of a share or unit, nor is there any clear published guidance in this respect. The Fund has determined, based on the facts and circumstances of the Arrangement, that it is appropriate for Canadian federal and provincial tax purposes to value the disposition of the Class B Units and/or Class C Units using the closing price for Trust Units on December 31, 2010, being the last complete trading day ending before the Arrangement is effective. The Fund will post this information on its website at www.parkland.ca. New Parkland agrees to execute only those tax elections which use that value. Although the Fund believes the above value is reasonable, it makes no explicit representation as to its accuracy and notes that the value is not binding on any party (including the CRA) and has not been pre-approved by the CRA.

Instructions for Completing CRA Form T2057

Each Eligible Unitholder who chooses to make a Tax Election is solely responsible for ensuring CRA form T2057 or T2058, as applicable, is properly completed. The following section illustrates the information required to be included by Eligible Unitholders on CRA form T2057 only. Although the

instructions may be useful for those completing CRA form T2058, or applicable provincial forms, please consult your tax advisor regarding the completion of such forms. The information should be typed or legibly printed on the form. **Do not write the required information on these instruction pages.**

Page 1 of CRA Form T2057

Complete the information in this first box for the Eligible Unitholder making the election:

Name of taxpayer (transferor) (print)			Social insurance number or Business Number	
Address			Postal Code	
Taxation year of taxpayer for the period from	Year Month Day / /	to	Year Month Day / /	Tax services office

For individuals, the "taxation year" is typically the calendar year. Corporations may have taxation year-ends that do not coincide with the calendar year. The "Tax Services Office" is where you typically file your annual tax return.

Complete this box if your Class B Units and/or Class C Units are held in joint ownership, otherwise enter "N/A":

Name of co-owner(s), if any (if more than one, attach schedule giving similar details)		Social insurance number
Address	Postal code	Tax services office

We have completed certain portions of the next section. Please do not mark this section.

Name of corporation (transferee) (print)			Business Number	
Address			Postal code	
Taxation year of corporation for the period from	Year Month Day / /	to	Year Month Day / /	Tax services office

Complete the next section, by filling in your name and telephone number or, if appropriate, the name and telephone number of your tax advisor:

Name of person to contact for additional information	Area code	Telephone number
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Page 2 of CRA Form T2057

The first 5 questions should be answered as follows:

1 – Is there a written agreement relating to this transfer? Yes No

- 2 – Does a price adjustment clause apply to any of the properties? (See the Interpretation Bulletin IT-169 for details) Yes No
- 3 – Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee? Yes No
- 4 – Does a non-arm's length rollover exist between 2 or more corporations? Have all or substantially all (90% or more) of all the properties of the corporation(s) been transferred to the recipient corporation? Yes No
- 5 – Is the taxpayer a non-resident of Canada? Yes No

Question 6 should be answered based on each Eligible Unitholder's particular circumstances.

Whether a Class B Unit and/or Class C Unit was capital property to a particular Eligible Unitholder is a question of fact and law that must be determined by each Eligible Unitholder based on a consideration of all the surrounding circumstances. If you are unsure of whether your Class B Units and/or Class C Units were capital property, contact your tax advisor. New Parkland is unable to assist you in making this determination.

- 6 – Are any of the properties transferred capital properties? Yes No

The remaining questions should be answered as follows:

If yes,

- a) have they been owned continuously since Valuation-Day (V-Day)? Yes No
- b) have they been acquired after V-Day in a transaction considered not to be at arm's length? Yes No
- c) since V-Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares? (if yes, provide details of amounts and dates received and attach a schedule.) Yes No
- 7 – Is the agreed amount of any of the transferred properties based on an estimate of fair market value on V-Day? Yes No
- 8 – Has an election under subsection 26(7) of the Income Tax Application Rules (Form T2076) been filed by or on behalf of the taxpayer? Yes No

The next section is not applicable – leave this blank.

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:		
Name of corporation (print)	Business number	Paid up capital of shares transferred

Eligible Unitholders must complete the information in the two blank boxes in the next section, as follows:

Number of shares transferor received	Class of shares	Redemption value per share	Paid-up capital	Voting or nonvoting	Are shares retractable?
(1)	Common	N/A	(2)	Voting	No

- (1) Enter the number of Common Shares you received on the exchange. This will be equal to the product obtained when the number of Class B Units and/or Class C Units exchanged is multiplied by 1.0.
- (2) The "paid-up capital" amount will generally be equal to the Agreed Amount. Once you have completed Page 3, return to this section and enter the Agreed Amount.

Page 3 of CRA Form T2057

The date of the transaction, December 31, 2010, has been entered in the following section:

Date of sale or transfer of all properties listed below:	Year	Month	Day
	2010	December	31

Complete the information in the following section according to the instructions below:

Description	Property Disposed of		Agreed Amount B	Amount to be reported B-A (if > 0 see Note 4)	Consideration Received		
	Elected Amount Limits				Non-share	Share	Fair Market Value of Total Consideration
	Fair Market Value	A			Description	Number and Class	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Capital Property Excluding Depreciable Property	Class B Units and Class C Units of Parkland Holdings Limited Partnership						

This section should be completed if the Class B Units and/or Class C Units were held as capital property. If the Class B Units and/or Class C Units were held as inventory, complete the section with the sidebar entitled "Inventory Excluding Real Property" in a similar manner.

- (1) Enter the number of Class B Units and/or Class C Units you owned immediately prior to the Arrangement.
- (2) Enter the total fair market value of the Class B Units and/or Class C Units you owned immediately prior to the Arrangement (this amount will be posted on a per unit basis at www.parkland.ca).
- (3) Enter your ACB (or cost amount in the case of inventory) in the Class B Units and/or Class C Units you owned immediately prior to the Arrangement.
- (4) Agreed Amount: Eligible Unitholders who wish to defer all tax arising on the exchange will typically choose an agreed amount equal to the ACB of their Class B Units and/or Class C Units (or cost amount, if the Trust Units are inventory). However, the Agreed Amount must be determined in accordance with the following rules:

- (a) The Agreed Amount may not exceed the fair market value of the Class B Units and/or Class C Units at the time of the exchange.
- (b) The Agreed Amount may not be less than the lesser of:
 - (i) The ACB of the Class B Units and/or Class C Units (or the cost amount, if the Class B Units and/or Class C Units are inventory) at the time of the exchange; and
 - (ii) The fair market value of the Class B Units and/or Class C Units at that time.

Also, enter the Elected Amount in the "paid-up capital" box on Page 2 of this form. Eligible Unitholders should consult their tax advisors regarding the selection of the Agreed Amount in respect of the disposition of their Class B Units and/or Class C Units.

- (5) Subtract B – A and enter any positive result.
- (6) Enter zero in this column.
- (7) Enter the total fair market value of the Common Shares you received on the exchange. This should be the same number that you entered in (2) on Page 2 of this form.
- (8) Add (6) + (7) and enter the result.

The Eligible Holder must sign in the last box as indicated. New Parkland will fill in the date.

ELECTION AND CERTIFICATION		
The taxpayer and corporation hereby jointly elect under subsection 85(1) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is to the best of their knowledge, correct and complete.		
_____ Signature of Transferor of Authorized Officer or Authorized Person*	_____ Signature of Authorized Officer or Transferee	_____ Date
*attach a copy of an authorizing agreement		

Submission of the CRA Form T2057

Once you have properly completed and executed the form, you should submit two copies (and two copies of any applicable provincial tax forms), no later than March 15, 2011 directly to the following address:

Attention: Corporate Secretary
Parkland Fuel Corporation
Suite 236, Riverside Office Plaza
4919 – 59th Street
Red Deer, AB T4N 6C9
Re: Tax Election

New Parkland will execute the form and file a copy with the CRA within 30 days after the receipt thereof. A duplicate executed form will be returned to you for your records.