

Parkland Reports 2010 Year-End Financial Results

Performance Highlights for the Three Months Ended December 31, 2010:

- Fuel sales volumes increased 35% to 980 million litres compared with 728 million litres in Q4 2009;
- EBITDA returned to expected norms and increased 159% to \$35.5 million compared with \$13.7 million in Q4 2009. Net earnings increased by 140% to \$10.8 million compared with \$4.5 million in Q4 2009;
- Bluewave Energy integration with Parkland's Commercial Business Group exceeded 2010 plan by achieving \$3.7 million in synergies;
- Parkland's CEO, Mike Chorlton, announced his retirement on December 3, 2010 with Bob Espey, Parkland's current COO, to succeed him May 1, 2011;
- \$45 Million convertible debenture offering was completed December 21, 2010;
- Island Petroleum was acquired December 30, 2010 for \$23.9 million. Island Petroleum is the largest heating oil distributor on Prince Edward Island and adds 70 million litres in annual fuel sales to Parkland's portfolio;
- Suncor issued notice to terminate its current supply contract with Parkland on December 31, 2013. Parkland does not anticipate any issues with economically replacing the supply volumes before 2014; and
- Parkland Income Fund converted to a corporation effective January 1, 2011 pursuant to a plan of arrangement under the Business Corporations Act (Alberta).

Red Deer, Alberta, March 14, 2011 - Parkland Fuel Corporation ("Parkland" or the "Corporation") (TSX: PKI), Canada's largest independent fuel distributor and marketer, today announced the financial and operating results for the three months and year ended December 31, 2010. All dollar amounts are stated in Canadian dollars.

"Parkland ended the year with a strong quarter after experiencing an unusual combination of adverse conditions and events during the first three quarters," said Mike Chorlton, President and CEO of Parkland Fuel Corporation. "A warm winter across our heating oil and propane markets during the first quarter, refiners' margins that were depressed below both seasonal and historic norms during the first nine months of 2010 and issues that arose due to the implementation of our Enterprise Resource Planning (ERP) system posed significant challenges for us."

"In the final quarter of 2010 however, with the majority of the issues relating to the ERP either solved or well underway towards resolution, somewhat improved refiners' margins, the addition of Bluewave's winter operations and the return of more normal weather conditions across Canada, we were able to make up some of the ground that was lost. The fact that we were able to sustain our cash distributions to shareholders through what has arguably been one of our most challenging years is a testament to the sustainability of Parkland's business platform."

Distributable Cash Flow

Distributable cash flow exceeded distributions in the fourth quarter by \$11.8 million and by \$10.0 million for the year ended December 31, 2010. The distribution payout ratio for the fourth quarter of 2010 was 58% compared with 102% in the last quarter of 2009. For the twelve month period ended December 31, 2010 the distribution payout ratio was 87% versus 76% in the prior year.

The decrease in the distribution payout ratio for the fourth quarter was the result of increased distributable cash flow arising from increased net earnings excluding amortization costs. The increase in net earnings excluding amortization costs was principally the result of strong commercial volumes associated with colder weather in 2010 versus 2009, the inclusion of Bluewave's early winter operations which were not included in last year's fourth quarter results and improved refiners' margins. Movements in non-cash working capital are excluded from distributable cash flow.

The increase in the distribution payout ratio in 2010 versus 2009 was the result of \$6.2 million in decreased distributable cash flow and \$3.2 million in higher distributions. The decrease in distributable cash flow was the net result of a number of factors that offset the increased EBITDA that was generated as a result of the Corporation's acquisitions. These offsets included higher interest costs to finance the Bluewave acquisition, higher marketing, general and administrative expenses to support the ERP implementation combined with lower refining margins during the first three quarters and abnormally warm winter conditions in the first quarter of 2010 that adversely affected heating oil and propane sales.

With the acquisitions of Bluewave and Columbia, the seasonality of Parkland's financial results is expected to change. Peak earnings in the past have tended to be driven by higher retail volumes and refiners' margins during the second and third quarters. However, the commercial and heating fuel businesses of Bluewave and Columbia are expected to drive increased earnings in the fourth and first quarters, providing a seasonal balance to Parkland's summer business operations.

Consolidated Highlights

<i>(in millions of Canadian dollars except volume and per Share/Unit amounts)</i>	For the three months ended December 31,			Year ended December 31,		
	2010	2009	% Change	2010	2009	% Change
Fuel volume (millions of litres)	980.4	728.0	35	3,500.3	2,742.0	28
Net sales and operating revenues	830.8	542.4	53	2,913.4	2,020.0	44
Gross profit	101.5	56.5	80	338.4	249.1	36
Operating and direct costs	46.6	28.9	61	159.4	106.9	49
Marketing, general and administrative	19.4	13.9	40	75.6	51.4	47
Amortization expense	16.7	9.8	70	62.5	37.9	65
Gain on disposal of property, plant and equipment	(0.5)	(0.5)	-	(3.1)	(0.9)	244
Refinery remediation accrual	0.1	0.1	-	0.3	0.4	(25)
Accretion on asset retirement obligation	(0.2)	0.1	(300)	0.1	0.2	(50)
Accretion on convertible debenture	1.5	0.1	1,400	2.1	0.1	2,000
Interest expense	6.6	1.9	247	25.2	5.7	342
Earnings before income taxes	11.3	2.1	438	16.3	47.5	(66)
Income tax (recovery) expense	0.5	(2.3)		(13.9)	(1.1)	
Net earnings	10.8	4.5	140	30.2	48.6	(38)
EBITDA ⁽¹⁾	35.5	13.7	159	103.4	90.8	14
Distributable cash flow ⁽²⁾	28.4	14.7	93	75.4	81.6	(8)
Distributions	16.5	15.1	9	65.4	62.3	5
Distribution payout ratio	58%	102%		87%	76%	
Cents per Litre						
Net sales and operating revenues	84.74	74.51	14	83.23	73.67	13
Gross margin	10.35	7.76	33	9.67	9.08	6
Operating and direct costs	4.75	3.97	20	4.55	3.90	17
Marketing, general and administrative	1.98	1.91	4	2.16	1.87	15
Amortization expense	1.70	1.35	27	1.79	1.38	29
Interest expense	0.67	0.26	158	0.72	0.21	246
Earnings before income taxes	1.15	0.29	300	0.47	1.73	(73)
Income tax (recovery) expense	0.05	(0.32)		(0.40)	(0.04)	
Net earnings	1.10	0.62	78	0.86	1.77	(51)
EBITDA	3.62	1.88	92	2.95	3.31	(11)

⁽¹⁾ Please refer to the Non-GAAP Measures section in the MD&A for a definition of EBITDA.

⁽²⁾ Please see Distributable Cash Flow reconciliation table in the MD&A.

Fourth Quarter 2010 Review

Fuel Marketing Segment

Parkland's fuel marketing segment, which accounted for approximately 92% (92%- 2009) of net sales and operating revenue and approximately 72% (73% - 2009) of gross profit for the year ended December 31, 2010, is the corporation's most important segment and the focus of its operations. This segment consists of fuel sales and deliveries through the corporation's commercial, retail and wholesale operations.

Fuel sales volumes increased 35% to 980 million litres for the three months ended December 31, 2010, compared with 728 million litres for the same period in 2009 due to increased fuel sales volumes from the acquisition of Bluewave Energy. For the year ended December 31, 2010, fuel sales volumes increased 28% to 3.5 billion litres compared with 2.7 billion litres in 2009. Parkland is actively growing the fuel marketing and distribution business downstream from the refiners.

Fuel marketing sales increased 51% to \$764.7 million in the three months ended December 31, 2010 compared with \$505.1 million for the same period of 2009. The increase in fuel marketing sales was primarily driven by the January 2010 acquisition of Bluewave, which contributed \$176.1 million in fuel sales in the fourth quarter.

For the year ended December 31, 2010, net sales in the fuel marketing segment increased by 45% to \$2.7 billion compared with \$1.9 billion in 2009.

Parkland's operating revenues and cost of sales fluctuate with the price paid for refined product, which in turn fluctuates with the cost of crude oil. Profit margins on a cents per litre ("cpl") basis are a more relevant indicator of the Corporation's ability to generate value.

For the three month period ended December 31, 2010, profit margins in the retail fuel segment were comparable to the fourth quarter of 2009 at \$24.2 million. On a cents per litre basis the retail fuel segment had a profit margin of 6.5 cpl for the three months ended December 31, 2010 compared with 6.7 cpl for the same period in 2009. For the year ended December 31, 2010, profit margins in the retail fuel segment decreased \$2.7 million to \$98.5 million in 2010 from \$101.2 million in the prior year. On a cents per litre basis the retail fuel segment had a profit margin of 6.7 cpl for 2010 compared with 7.0 cpl in 2009. The decrease in profit margins on a cpl basis for both periods was due to increased competition in certain markets.

Profit margins in the commercial fuel segment increased 146% to \$40.8 million for the three months ended December 31, 2010 compared with \$16.6 million for the same period in 2009 primarily from the additional Bluewave sales volumes. On a cents per litre basis the commercial fuels segment profit margin increased to 9.1 cpl in for the three months ended December 31, 2010 compared with 9.0 cpl for the same period in 2009. For the year ended December 31, 2010 commercial fuel profit margins increased 148% to \$122.4 million compared with \$49.3 million in 2009. On a cents per litre basis the commercial fuels segment profit margin increased to 8.4 cpl in 2010 compared with 7.7 cpl in 2009. The increase in profit

margins for both periods were due to an increase in the proportion of higher margin delivered fuel and heating oil products.

Wholesale Fuel and Refiners' Margins

Parkland Wholesale Fuels, a part of the Fuel Marketing Segment, includes profits from Parkland's participation in refiners' margins and modest profits from wholesale fuel sales. Parkland participates in refiners' margins for a significant portion of its supply volumes. Refiners' margins are driven by supply and demand, over which the Corporation has little control. Parkland continues to execute its strategy to build fuel marketing profits to offset fluctuations in refinery margins that are expected to continue until the termination of the Suncor contract on December 31, 2013.

Gross profit in Wholesale Fuels increased \$8.6 million to \$6.0 million for the three months ended December 31, compared with \$2.6 million for the same period in 2009 as refiners' margins recovered from the lower levels experienced earlier in the year. For the year ended December 31, 2010, Wholesale Fuel gross profit decreased 22% to \$18.8 million compared with \$23.9 million in 2009. A historical analysis of Parkland's participation in refiners' margins for gasoline and diesel back to 2005 demonstrates that combined margins for the nine month period ending September 30, 2010 were at the lowest they had been since 2005. Refiners' margins in the fourth quarter of 2010 improved from the lower levels experienced earlier in the year.

Non-Fuel Commercial Segment

Parkland's Non-Fuel Commercial Segment consists of lubricants, agricultural inputs and other products that do not fall into the fuel category. This segment accounted for approximately 5% (5% - 2009) of revenues and 15% (12% - 2009) of gross profits for the year ended December 31, 2010.

Net sales in the non-fuel commercial segment increased by 132% to \$51.3 million for the three months ended December 31, 2010, compared with \$22.1 million for the same period in 2009 due to the Bluewave acquisition and the acquisition of the Shell Lubricants business. For the year ended December 31, 2010, net sales in the non-fuel commercial segment increased by 67% to \$156.1 million compared with \$93.2 million in 2009 due to the Columbia Fuels, Bluewave Energy and Shell Lubricants acquisitions.

Due to increased net sales and higher margins, gross profit in the non-fuel commercial segment increased by 121% to \$18.6 million for the three months ended December 31, 2010, compared with \$8.4 million for the same period in 2009. For the year ended December 31, 2010, gross profit in the commercial segment increased by 75% to \$50.3 million compared with \$28.7 million in 2009.

Other Segment

Parkland's Other Segment consists of lottery revenue, externally charged freight revenue, retail variable rents and vendor rebates for which no cost of sales is recognized. The Other Segment accounted for approximately 1% (1% - 2009) of revenues and 12% (10% - 2009) of gross profits for the year ended December 31, 2010.

Gross profit in the Other Segment increased by 45% to \$9.6 million for the three months ended December 31, 2010, compared with \$6.6 million for the same period in 2009 as more stations were transitioned to the commissioned operator model. For the year ended December 31, 2010, gross profit in the Other Segment increased by 56% to \$39.7 million compared with \$25.4 million in 2009.

Convenience Store Merchandise Segment

The Convenience Store segment consists of stores that are directly owned and operated by Parkland, the vast majority of which are associated with retail gas service stations in Parkland's network. The Convenience Store Merchandise Segment accounted for approximately 1% (2% - 2009) of revenues and 2% (5% - 2009) of gross profits for the year ended December 31, 2010.

Net sales in the convenience store merchandise segment decreased by 40% to \$5.2 million for the three months ended December 31, 2010, compared with \$8.6 million for the same period in 2009. For the year ended December 31, 2010, net sales in the convenience store merchandise segment decreased by 50% to \$24.3 million compared with \$48.7 million in 2009. As more stations are converted to a commissioned operator model, retail commissions will increase 'Other Segment' revenues.

Gross profit in the convenience store merchandise segment decreased by 45% to \$1.2 million for the three months ended December 31, 2010, compared with \$2.2 million for the same period in 2009, once again due to stations converting to the commissioned operator model. For the year ended December 31, 2010, gross profit in the convenience store merchandise segment decreased by 51% to \$6.2 million compared with \$12.7 million in 2009.

Consolidated Results

Net sales and operating revenue increased by 53% to \$830.8 million for the three months ended December 31, 2010, compared with \$542.4 million for the same period in 2009. For the year ended December 31, 2010, net sales and operating revenue increased by 44% to \$2.9 billion compared with \$2.0 billion in 2009.

Gross profit increased by 80% to \$101.5 million for the three months ended December 31, 2010, compared with \$56.5 million for the same period in 2009. For the year ended December 31, 2010, gross profit increased by 36% to \$338.4 million compared with \$249.1 million in 2009.

Operating and direct costs increased by 61% to \$46.6 million (4.8 cpl) for the three months ended December 31, 2010, compared with \$28.9 million (4.0 cpl) for the same period in 2009. The \$17.7 million increase in operating and direct costs for the three month period resulted principally from \$11.3 million in additional operating costs directly related to the acquired business of Bluewave. The increase in operating costs on a cpl basis also reflects the change in business mix following the Bluewave acquisition that increased Parkland's proportion of delivered fuel products which involves higher operating costs (due to delivery costs) offset by higher fuel gross margins.

For the year ended December 31, 2010, operating and direct costs increased by 49% to \$159.4 million (4.6 cpl) compared with \$106.9 million (3.9 cpl) in 2009. The \$52.5 million year over year increase in operating and direct costs resulted primarily from \$43.0 million in additional operating costs directly related to the acquired businesses of Columbia Fuels and Bluewave.

Marketing, general and administrative (“MG&A”) expenses increased by 40% to \$19.4 million (2.0 cpl) for the three months ended December 31, 2010, compared with \$13.9 million (1.9 cpl) for the same quarter in 2009. Of the \$5.5 million increase in MG&A expenses during the three month period, \$3.9 million was related to the addition of Bluewave overhead costs and the remainder was due to costs related to Enterprise Resource Planning System (“ERP”) implementation and sustainment, and consultant costs for 2011 conversion to International Financial Reporting Standards (“IFRS”).

For the year ended December 31, 2010, MG&A expenses increased by 47% to \$75.6 million (2.2 cpl) compared with \$51.4 million (1.9 cpl) in 2009. Of the \$24.2 million year over year increase, \$12.3 million was related to the acquired businesses of Bluewave and Columbia Fuels, \$1.0 million was related to onetime costs for converting from a trust to corporation and \$4.1 million was due to ERP implementation and sustainment costs. The remaining increase was due to consultant costs for IFRS conversion as well as additional accounting and director fees.

Parkland’s inventory of fuel is subject to revaluation as underlying crude oil prices rise and fall. With the increase of gasoline costs in the fourth quarter, the change in valuation of this inventory resulted in an increase in fuel gross profit of \$1.0 million compared with an increase of \$1.2 million in the fourth quarter of 2009. For the year ended December 31, 2010, increasing gasoline costs resulted in a change in valuation of this inventory that increased fuel gross profit by \$2.5 million compared with an increase of \$7.9 million in 2009.

EBITDA, a non-GAAP measure, refers to earnings before interest on long-term debt, income tax expense, amortization, refinery remediation, accretion expense on asset retirement obligations, interest and accretion on convertible debentures and loss (gain) on the disposal of property, plant and equipment.

EBITDA for the fourth quarter of 2010 was \$35.5 million (3.6 cpl), an increase of 159% from \$13.7 million (1.9 cpl) in 2009. The increase in EBITDA from the same period in 2009 is explained primarily by increases in commercial fuel volumes, stronger refiners’ margins and EBITDA increases from the Bluewave acquisition, partially offset by a \$5.5 million increase in marketing, general and administrative costs.

EBITDA in 2010 was \$103.4 million (3.0 cpl), an increase of 14% from \$90.8 million (3.3 cpl) in 2009. The increase in EBITDA from 2009 is explained primarily by Gross Profit increases from the Columbia and Bluewave acquisitions which were partially offset by \$24.2 million increase in marketing, general and administrative expenses.

Net earnings in the fourth quarter of 2010 increased 140% to \$10.8 million (1.1 cpl) compared with \$4.5 million (0.6 cpl) for the same period in 2009. The increase in net earnings was the result of higher EBITDA, partially offset by higher amortization and interest costs.

For the year ended December 31, 2010 net earnings decreased 38% to \$30.2 million (0.9 cpl) compared with \$48.6 million (1.8 cpl) in 2009. The decrease in net earnings was the result of higher EBITDA offset by higher amortization and interest costs.

MD&A and Financial Statements

The MD&A as well as the unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements for the three months and year ended December 31, 2010, are available online at www.parkland.ca.

Conference Call Information

Parkland will host its year-end results conference call at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Tuesday, March 15, 2011.

President and CEO Mike Chorlton, Incoming CEO Bob Espey and CFO Ken Grondin will discuss Parkland's financial results for the quarter and then take questions from securities analysts, brokers and investors.

To access the conference call by telephone, dial 647-427-7450 or 888-231-8191 (Conference ID: 4753 0801). Please connect approximately 10 minutes prior to the beginning of the call. The conference call will be archived for replay until 9:59 p.m. Mountain Time (11:59 p.m. Eastern Time), Tuesday, March 29, 2011. To access the archived conference call, dial 1-800-642-1687 and enter the reservation number: 4753 0801 followed by the number sign.

A live audio webcast of the conference call will be available at:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3423200>

Please connect at least 10 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at the above website for 90 days.

Forward Looking Information

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, effectiveness of internal controls, sources of funding of growth capital expenditures 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", "projected", "anticipates", "estimates", "continues", or similar words and include, but are not limited to, statements regarding the accretive effects of the acquisition and the anticipated benefits of the acquisition. 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 Corporation'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 Corporation'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 Corporation 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.

About Parkland Fuel Corporation

Parkland Fuel Corporation ("Parkland") is Canada's largest independent marketer and distributor of fuels, managing a nationwide network of sales channels for retail, commercial, wholesale and home heating fuel customers. Parkland's mission is to be the most trusted source of convenience for fuel and related products focused on non-urban markets. Our family of brands includes: Bluewave Energy, Columbia Fuels, Great Northern Oil, Neufeld Petroleum & Propane, United Petroleum Products, Island Petroleum, Fas Gas Plus and Race Trac Gas. We are Canada's local fuel company, delivering competitive fuel products and serving Canadian communities through local operators who care. For more information please visit www.parkland.ca.

Parkland shares and convertible debentures trade on the Toronto Stock Exchange (TSX) under the symbols PKI, PKI.DB and PKI.DB.A. For investor and media inquiries, or to be added to the email news alert service, please contact Tom McMillan, Investor Relations Manager at 403-356-6722, 1-800-662-7177 ext 6722 or tom.mcmillan@parkland.ca.