Second Quarter Report

FOR THE SIX MONTHS ENDED JUNE 30, 2007

President's Message

Parkland's results in the second quarter were substantially stronger than any previous quarter. The superb performance resulted from Parkland delivering on our core strategies:

- Optimizing our supply contracts provided the opportunity to enjoy the best fuel margins in Parkland's history;
- Building fuel sales volumes to increase our market presence was achieved through internal growth, expansion of the RBD program and completion of acquisitions;
- Building non-fuel profits to enhance the long term stability of the enterprise was achieved through increased convenience merchandise sales and the acquisition of a significant new commercial business segment marketing lubricants, farm inputs and related services.

During the quarter Parkland was able to complete the acquisitions of Joy Propane Ltd. for $16.4 million and United Petroleum Products Inc. for $17.6 million. Strong cash flows provided the initial funding of the cash portion of the acquisitions as well as temporarily paying down term debt. The three acquisitions completed in 2007 have met our expectations for financial performance and have been a major step in Parkland's growth and diversification strategy.

CONSOLIDATED OPERATING AND FINANCIAL HIGHLIGHTS

	FOR THE THREE MONTHS ENDED JUNE 30			FOR THE SIX MONTHS ENDED JUNE 30		
($ MILLIONS EXCEPT VOLUME AND PER UNIT AMOUNTS)	**2007**	2006	2005	**2007**	2006	2005
Fuel volumes	**471**	374	290	**911**	703	558
Net sales and operating revenue	**$ 424.6**	$ 320.1	$ 208.2	**$ 758.6**	$ 561.7	$ 385.3
EBITDA	**$ 47.5**	$ 24.4	$ 9.4	**$ 66.7**	$ 32.5	$ 12.7
Net Earnings	**$ 21.2**	$ 21.9	$ 6.9	**$ 34.4**	$ 27.5	$ 7.8
Per unit – basic	**$ 0.44**	$ 0.59	$ 0.19	**$ 0.72**	$ 0.74	$ 0.21
– diluted	**$ 0.44**	$ 0.58	$ 0.19	**$ 0.71**	$ 0.73	$ 0.21

EXECUTIVE SUMMARY OF SECOND QUARTER RESULTS

Fuel margins in the second quarter of 2007 increased significantly along with the North America wide market, led by strong refiners' margins. Refiners' margins have moderated as of this date but retail margins remain strong.

The integration of the acquired businesses was a major management focus during the second quarter. This includes evaluating and integrating operating procedures as well as melding the financial reporting and control systems.

Acquisition of Joy Propane Ltd. ("Joy")

On April 24, 2007 Parkland purchased Joy of Dawson Creek, British Columbia for $16.4 million funded by the issuance of 130,530 (391,590 post split) Class C Limited Partnership units with an aggregate value of $5.1 million and $11.2 million in cash. Joy markets propane to automotive, commercial, agricultural and residential customers from six locations in northeastern British Columbia and northwestern Alberta. Annual propane volumes have exceeded 20 million litres in recent years.

This acquisition extends the market area established through the Neufeld acquisition and will provide opportunities for operational synergies.

Acquisition of United Petroleum Products Inc. ("UPPI")

On May 28, 2007 Parkland completed the purchase of UPPI of Burnaby, British Columbia, for $17.6 million after adjustments for working capital. The purchase was funded by the issuance of 430,520 (post split) Class C Limited Partnership units with an aggregate value of $6.5 million, $10.4 million in cash and the assumption of $0.7 million of debt.

UPPI is an independent fuel and lubricants marketer in British Columbia with annual fuel sales volumes in the range of 180 million litres distributed through a network of commercial accounts and independent service station operators.

Unit Split

Parkland completed a division of its units on a three for one basis with a record date of May 25, 2007. This was intended to enhance the marketability of Parkland's units and make the units more accessible to a wider range of investors. The unit split applied to the Class B and C Limited Partnership units and Fund units equally. As of June 30, 2007, after the split Parkland had 34.3 million Fund Units and 14.1 million Limited Partnership units outstanding.

Management's Discussion & Analysis

The following discussion and analysis of the results of operations and financial condition of Parkland Income Fund (the "Fund") should be read in conjunction with the unaudited interim financial statements for the six month period ended June 30, 2007, Management's Discussion and Analysis and the audited financial statements for the year ended December 31, 2006 and the Fund's Annual Information Form dated March 16, 2007.

NON-GAAP FINANCIAL MEASURES

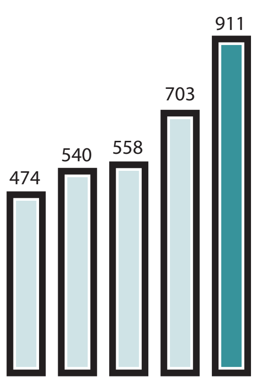
In this document there are references to non-GAAP financial measures such as EBITDA and Cash Available for Distribution. EBITDA refers to Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization and Loss on Disposal of Capital Assets and can be calculated from the GAAP amounts included 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.

Cash Available for Distribution is defined in the Fund's Deed of Trust and related documents and generally represents the cash available to be distributed to the Fund's Unitholders. Cash Available for Distribution is calculated as EBITDA less interest expense, current income taxes, if any, and maintenance capital expenditures. EBITDA is as defined above, while interest expense and current income taxes are GAAP measures. Maintenance Capital represents capital expenditures made by the Fund to maintain its current business operations. This differs from growth capital, which represents capital used to expand the Fund's business operations.

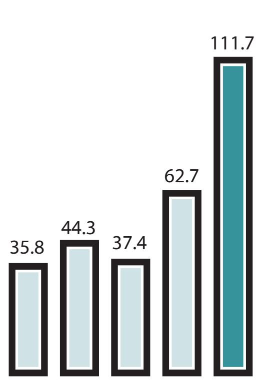
THREE MONTHS ENDED JUNE 30, 2007

Higher fuel volumes, higher average fuel margins, increased convenience store sales and margins and the addition of profits from the acquired businesses all contributed to higher gross margins in the quarter. EBITDA increased significantly to $47.5 million from $24.4 million for the same period in 2006. Net earnings were $21.2 million compared to $21.9 million reported in the second quarter of 2006. Current earnings were reduced by two large charges more fully described under "Future Income Taxes" and "Current Tax Provision". The Future Income Tax charge of $7.5 million is a non-cash item. The Current Tax provision reflects the significant amount of current earnings in excess of current distributions. The Current Tax provision will be adjusted through the balance of the year depending on earnings and unitholder distributions.

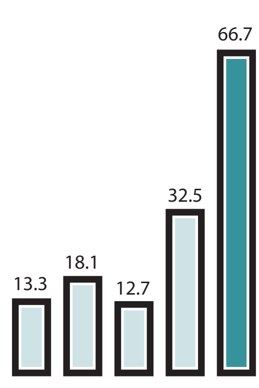
Sales Volumes
(millions of litres)
For the six months ended June 30



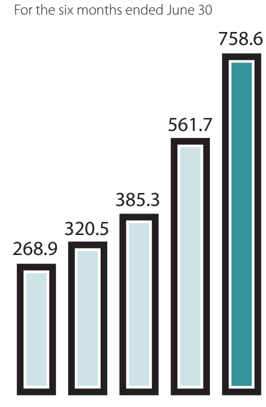
Gross Margin
($ millions)
For the six months ended June 30



EBITDA
($ millions)
For the six months ended June 30



Sales Revenue
($ millions)
For the six months ended June 30



Fuel Volumes

Gasoline and diesel volumes increased by 76 million litres in the second quarter of 2007 to 450 million litres, an increase of 20 percent. In addition, another 21 million litres of propane fuel were sold by the commercial operations during the quarter. The station upgrade program, addition of the Esso retail branded distributorship sites and fuel sales from the Neufeld, Joy and UPPI businesses continue to generate increased volumes for the Fund year over year.

Sales and Cost of Sales

Net sales and operating revenue for the quarter ended June 30, 2007 was $424.6 million, an increase of 32.6 percent over the same period in 2006. Fuel sales revenue increased to $387 million from $305 million in the prior year as a result of volume increases and higher prices. Convenience store merchandise sales also increased with sales during the second quarter of $16.2 million in 2007 as compared to $14.8 million in 2006. With the acquisitions the Fund now also sells fertilizer, lubes and other agricultural and industrial products and services. These sales are included in the Commercial segment in Note 4 to the Interim Consolidated Financial Statements and totaled $21.4 million for the quarter.

Fuel cost of sales increased to $325 million in 2007 as compared to $269 million in 2006. Cost of sales increased as a result of higher volumes of fuel products. Convenience store merchandise cost of sales increased to $12.0 million in 2007 from $10.9 million in 2006, consistent with the increase in merchandise sales. Cost of sales related to fertilizer, lubes and other agricultural and industrial products and services for the quarter came to $15.9 million.

Gross Margins

These factors led to gross margins of $71.7 million for the second quarter of 2007, which was $31.8 million higher than the $39.9 million achieved in the second quarter of 2006. The largest single contribution to the increase was average fuel margins rising to 12.7 cents per litre compared to 9.1 cents per litre in the same period in 2006.

Operating Expenses

Operating expenses increased as a result of the acquisitions and the addition of 26 sites under the retail branded distributorship program. 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 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.

Marketing, general and administrative expenses were $9.7 million for the quarter ended June 30, 2007 compared to $4.3 million in 2006. Significant drivers of 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.

Future Income Taxes

During the second quarter of 2007, Parkland recorded a non-cash tax expense in the amount of $7.5 million. This followed the substantial enactment of federal legislation to levy a new income tax against business trusts at the rate of 31.5% beginning in 2011.

The future income tax adjustment represents the taxable temporary differences of the Fund tax affected at 31.5 percent, which is the rate that will be applicable in 2011 under the current legislation and the Fund's current corporate structure.

Current Tax Provision

During the first half of 2007, Parkland's taxable income significantly exceeded distributions to unitholders. In the absence of other actions such as special distributions to unitholders, this would result in a current income tax obligation to the Fund. Accordingly, we have recorded a tax provision in the amount of $11.2 million as of June 30, 2007. In 2006 we recorded a tax provision in the third quarter for the same reason. The 2006 provision was reversed at year end as the special distribution declared in December, 2006 transferred most of the taxable income to the unitholders. As of the current date, the directors have made no decision regarding a special distribution for 2007.

Earnings

Net earnings were $21.2 million in 2007 compared to $21.9 million in 2006. The fuels segment of Parkland's business contributed increased earnings as a result of the acquisitions and internal volume and margin growth and the non-fuel commercial business was boosted by the acquired businesses. These increases were offset by the provision for current income taxes and the non-cash booking of future income taxes.

Capital Investments

In addition to the two acquisitions, during the second quarter the Fund expended $3.7 million net in capital investments, of which $0.8 million was classified as maintenance capital and $2.9 million was classified as growth capital.

The two acquisitions recorded in the second quarter included the purchase of capital assets at an estimated fair value of $12.2 million. Amortization for acquired capital assets in 2007 plus amortization on intangible assets accounted for most of the increase compared to the second quarter of 2006. During the second quarter Parkland conducted valuations of the various asset classes included in the January, 2007 purchase of the Neufeld companies. This resulted in adjustments to the amounts recorded in the different asset categories.

Long-term Debt and Cash Balances

For the quarter ended June 30, 2007 interest on long-term debt was $ 139,000. Most of the Fund's long-term debt bears interest at variable rates linked to prime.

On August 1, 2007, the Fund entered into a syndicated financing arrangement with HSBC Bank Canada and Bank of Montreal. The new financing arrangement has a three year term and provides for credit facilities totaling $128.1 million, comprised of $32.0 million for operating debt, $30.0 million for letters of credit and the remainder for term debt.

The cash balance at June 30, 2007 of $12.5 million decreased from the December 31, 2006 balance of $36.5 million due to the payment of the cash portion of the special distributions declared for Unitholders of record on December 29, 2006 and paid during the first quarter, cash consideration paid for the acquisitions and repayment of debt associated with the acquisitions.

Equity Financing

In January 2007, Parkland completed the issuance of 1,360,000 (4,080,000 post split) Fund units for net proceeds of $47.1 million on a bought deal basis through a syndicate of investment dealers. The proceeds were used in part to fund the purchase of the Neufeld companies in January, 2007 and to repay approximately $10 million of Parkland's term debt.

SIX MONTHS ENDED JUNE 30, 2007

Sales volumes of refined products increased 22% over the six months ended June 30, 2006 driven by acquisitions, additional RBD sites and internal growth. Net sales and operating revenue increased by $196.9 million or 35% through higher volume and average sales prices for fuel, higher merchandise sales and commercial operations.

Gross margins were $111.7 million, compared to $62.7 million in 2006, an increase of 78% year-over-year. Operating and direct costs increased to $27.6 million from $22.1 million in 2006, as a result of acquisitions, additional RBD sites and internal growth. Marketing, general and administrative costs were $17.4 million, compared to $8.1 million in 2006. These factors contributed to an increase in EBITDA to $66.7 million as compared to $32.5 million in the first six months of 2006.

The increase in EBITDA in 2007 compared to 2006 was driven by improvements in each area of the enterprise. Fuel margins increased as Parkland was able to optimize its product costs through its supply contracts. Fuel volumes increased as additional sites were brought on stream through its RBD program. Retail fuel marketing volumes increased as upgraded sites reached maturity and sales initiatives were targeted at specific markets. Convenience store contribution increased as several sites were converted to the company operated model. The acquisition of new business introduced a new, non-fuel commercial segment to Parkland's customer offering. This consists of lubricants, fertilizer, other agricultural inputs and industrial products and services.

Accounting Estimates

The financial statements include accounting estimates, the nature of which are described in the 2006 Annual Report.

Related Party Transactions

During the second quarter of fiscal 2007, Parkland paid $230,276 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.

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 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 $252,744 in the second quarter. Parkland intends to purchase this business in the future.

Distributions and Income Tax

The Fund is a mutual fund trust for income tax purposes. As such, the Fund is only taxed on any amount not allocated to unitholders.

The Fund makes monthly distribution payments to its unitholders. As of the beginning of 2007, after adjusting for the three for one unit split, monthly distributions were $0.0733 per unit. This was increased on February 15, 2007 to $0.08 per unit and on June 15, 2007 to $0.0967 per unit. Estimated regular distributions in 2007, assuming continued $0.0967 payments for the duration of the year, would be approximately $52 million.

Although it is typical for the Fund's cash flow to have seasonal fluctuations, it is management's current intention to pay consistent regular monthly distributions throughout the year based on estimated annual cash flows.

The Directors review distributions quarterly giving consideration to current performance, historical trends in the business and the expected sustainability or change in those trends, as well as maintenance capital requirements to sustain performance. As the year end approaches the Directors will consider the needs of the enterprise and the option of retaining taxable income within the corporate subsidiaries of the Fund or paying a special distribution in cash or units.

Supplementary Information

Parkland seeks to provide relevant information to allow investors to evaluate its operations. The nature of this information is limited by competitive sensitivities, confidentiality terms in written agreements and Parkland's policy not to provide guidance regarding future earnings. We have developed a template of supplementary information that is published with each quarterly financial report. For persons seeking information regarding fuel margins we refer to outside sources: Bloomberg's Oil Buyers Guide, Nymex contracts for gasoline and crude oil as well as Government of Canada, Department of Finance reports. Data from these sources will not be sufficient to calculate Parkland's fuel margin given that it does not correlate directly with our market region and supply contracts, but should indicate margin trends.

Parkland Holdings Limited Partnership

At the time of Parkland's conversion to a Trust, we issued Class B limited partnership (LP) units to investors seeking a tax free rollover of their shares. The LP units have the same voting and economic rights and benefits as the TSX listed trust units, are non-transferable and can be converted by the holder into trust units at any time. The 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. This will give investors maximum flexibility should Parkland undertake a future re-organization in response to the federal government taxation of trusts planned for 2011. Parkland's current plans are to maintain its trust structure until there is a compelling reason to change.

Cash Available for Distribution and Reconciliation of EBITDA to Cash From Operating Activities

(000s)	FOR THE THREE MONTHS ENDED JUNE 30, 2007	FOR THE SIX MONTHS ENDED JUNE 30, 2007
Cash from operating activities	$ 54,946	$ 59,198
Net changes in non-cash working capital	(18,374)	(3,525)
Funds flow from operations	36,572	55,673
Add back (deduct):		
Interest on long-term debt	139	781
Unit incentive compensation	(359)	(930)
Accretion expense	(15)	(30)
Current taxes	11,190	11,206
EBITDA	47,527	66,700
Maintenance capital expended	(794)	(1,640)
Current taxes and interest	(11,329)	(11,987)
Cash available for distribution	$ 35,404	$ 53,073
Cash distributed	$ 13,182	$ 24,474

DISTRIBUTION REINVESTMENT PLAN

Parkland Income Fund has a Distribution Reinvestment Plan administered by Valiant Trust Company. Details are available from the Fund or from Valiant Trust Company.

INTERNAL CONTROLS

Parkland has completed the initial phases of a review and enhancement of internal controls as well as system documentation. A program has been developed to test the key internal controls. No major control gaps have been identified. The same process is currently underway at the recently acquired businesses. The Fund believes that it will be able to continue to comply with regulations as required.

ACCOUNTING POLICIES

As a result of the recent acquisitions, the Fund has updated the following significant accounting policies and practices:

- Goodwill
- Intangible Assets
- Deferred Revenue

All of these updated accounting policies are described in more detail in Note 1 to the Interim Consolidated Financial Statements. The adoption of these new standards has had no impact on the Fund's net earnings or cash flows.

New Accounting Standards Adopted

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 introduce 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.

The adoption of these new standards are explained more fully in Note 2 to the Interim Consolidated Financial Statements.

QUARTERLY FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED ($000s EXCEPT VOLUME AND PER UNIT AMOUNTS)			2005				2006		**2007**
	JUNE 30	SEPT 30	DEC 31	MAR 31	JUNE 30	SEPT 30	DEC 31	MAR 31	**JUN 30**
Fuel volumes	290	322	297	329	374	412	386	440	**471**
Net sales and operating revenue	$ 208,177	$ 258,901	$ 231,380	$ 241,552	$ 320,166	$ 359,272	$ 278,876	$ 334,006	**$ 424,628**
Net earnings	6,948	9,634	7,563	5,566	21,889	16,735	14,401	13,185	**21,211**
EBITDA	9,424	12,546	11,488	8,186	24,357	27,683	9,445	19,173	**47,527**
Restated earnings per unit – basic	0.18	0.25	0.20	0.15	0.57	0.43	0.37	0.28	**0.44**
– diluted	0.18	0.25	0.20	0.14	0.56	0.43	0.37	0.27	**0.44**

CONTRACTUAL OBLIGATIONS

The Fund has contracted obligations under various debt agreements as well as under operating and capital leases for land, building and equipment. Minimum lease and principal payments ($000's) under the existing terms are as follows:

YEAR ENDING, JUNE 30	MORTGAGES, BANK LOANS AND NOTES PAYABLE	OPERATING LEASES	CAPITAL LEASES
2008	$ 17,188	$ 2,380	$ 1,364
2009	703	1,852	632
2010	140	896	235
2011	144	540	156
2012	57	298	115
Thereafter	927	657	753
	$ 19,159	$ 6,623	$ 3,682

The Fund also has purchase commitments under its fuel supply contracts that require the purchase of approximately 1.3 billion litres of product over the next year.

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 approximately 550 locations, Parkland has developed a strong market niche in western and northern Canadian non-urban markets. Through Neufeld and Joy 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. Through United Petroleum the Fund markets wholesale and commercial fuels and lubricants throughout southern British Columbia. 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.

This interim report includes forward-looking statements regarding Parkland Income Fund's operations, anticipated financial performance, business prospects and strategies. Forward-looking information may involve words such as "believe", "expect", "anticipate", or similar words implying future outcomes. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts and other forms of forward-looking information will not be achieved by Parkland Income Fund. Parkland Income Fund is under no obligation to update publicly or otherwise revise any forward-looking information. Certain information regarding Parkland Income Fund including management's assessment of future plans and operations, constitutes forward-looking information or statements under applicable securities laws and necessarily involve assumptions regarding factors and risks that could cause actual results to vary materially, including, without limitation, assumptions and risks associated with retail pricing and margins, availability and pricing of petroleum product supply, volatility of crude oil prices, marketing competition, environmental damage, credit granting, interest rate fluctuation and availability of capital and operating funds. The reader is cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate by Parkland at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parkland's operations or financial results are included in Parkland's reports on file with Canadian securities regulatory authorities. In particular see Parkland's MD&A and the Risk Factors and Industry Conditions section of Parkland's Annual Information Form. Parkland's reports may be accessed through the SEDAR website (www.sedar.com) or Parkland's website (www.parkland.ca). Consequently, there is no representation by Parkland that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained in this document are made as of the date of issue. Parkland does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement..

MICHAEL W. CHORLTON
President and CEO

August 3, 2007

Consolidated Balance Sheet

($000s) (UNAUDITED)	JUNE 30, 2007	DECEMBER 31, 2006
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 12,509**	$ 36,462
Accounts receivable	**87,633**	40,294
Inventories	**34,003**	20,351
Prepaid expenses and other	**3,460**	3,874
	137,605	100,981
Capital assets	**164,453**	68,541
Other	**1,320**	1,499
Future income taxes	**–**	1,438
Goodwill *(Note 6,7)*	**17,680**	–
Intangible assets *(Note 5)*	**10,419**	–
	$ 331,477	$ 172,459
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 85,874**	$ 62,124
Distributions declared and payable	**4,661**	15,842
Income tax payable	**15,580**	459
Deferred revenue	**590**	–
Long-term debt – current portion	**17,188**	10,145
	123,893	88,570
Long-term debt	**1,971**	1,651
Refinery remediation accrual	**3,038**	3,038
Asset retirement obligations	**1,170**	1,140
Future income taxes *(Note 10)*	**6,153**	–
	136,225	94,399
UNITHOLDERS' CAPITAL *(Note 3)*		
Class B Limited Partners' Capital	**14,067**	12,310
Class C Limited Partners' Capital	**59,795**	–
Unitholders' Capital	**121,390**	65,750
	195,252	78,060
	$ 331,477	$ 172,459

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

($000S EXCEPT PER UNIT AMOUNTS) (UNAUDITED)	FOR THE THREE MONTHS ENDED JUNE 30,			FOR THE SIX MONTHS ENDED JUNE 30,		
	2007	2006	2005	**2007**	2006	2005
Net sales and operating revenue	**$ 424,628**	$ 320,166	$ 208,177	**$ 758,634**	$ 561,718	$ 385,258
Cost of sales and operating expenses	**52,913**	280,237	185,090	**646,924**	499,020	347,862
Gross margin	**71,715**	39,929	23,087	**111,710**	62,698	37,396
Expenses						
Operating and direct costs	**14,492**	11,313	10,143	**27,614**	22,066	18,854
Marketing, general and administrative	**9,696**	4,259	3,520	**17,396**	8,089	5,875
Amortization	**7,647**	2,083	2,031	**12,856**	4,126	4,026
Interest on long-term debt	**139**	242	216	**781**	492	414
(Gain) loss on disposal of capital assets	**(137)**	127	–	**(130)**	385	186
	31,837	18,024	15,910	**58,517**	35,158	29,355
Earnings before income taxes	**39,878**	21,905	7,177	**53,193**	27,540	8,041
Income tax expense						
Current	**11,190**	(6)	159	**11,206**	38	159
Future *(Note 10)*	**7,477**	22	70	**7,591**	47	110
	18,667	16	229	**18,797**	85	269
Net earnings	**21,211**	21,889	6,948	**34,396**	27,455	7,772
Other comprehensive income	**–**	–	–	**–**	–	–
Comprehensive income	**$ 21,211**	$ 21,889	$ 6,948	**$ 34,396**	$ 27,455	$ 7,772
Accumulated other comprehensive income, beginning of year	**$ –**	$ –	$ –	**$ –**	$ –	$ –
Comprehensive income	**–**	–	–	**–**	–	–
Accumulated other comprehensive income, end of period	**$ –**	$ –	$	**$ –**	$ –	$ –
Retained earnings, beginning of year	**$ –**	$ –	$	**$ –**	$ –	$ –
Allocation of net earnings to Class B Limited Partners	**(3,766)**	(5,122)	(2,105)	**(6,167)**	(6,428)	(2,376)
Allocation of net earnings to Class C Limited Partners	**(2,888)**	–	–	**(4,204)**	–	–
Allocation of earnings to Unitholders	**(14,557)**	(16,767)	(4,843)	**(24,025)**	(21,027)	(5,396)
Retained earnings, end of period	**$ –**	$ –	$	**$ –**	$ –	$ –
Net earnings per unit						
– basic	**$ 0.44**	$ 0.59	$ 0.19	**$ 0.72**	$ 0.74	$ 0.21
– diluted	**$ 0.44**	$ 0.58	$ 0.19	**$ 0.71**	$ 0.73	$ 0.21

Consolidated Statement of Cash Flows

($000S EXCEPT PER UNIT AMOUNTS) (UNAUDITED)	FOR THE THREE MONTHS ENDED JUNE 30, 2007	2006	2005	FOR THE SIX MONTHS ENDED JUNE 30, 2007	2006	2005
CASH PROVIDED BY OPERATIONS						
Net earnings	**$ 21,211**	$ 21,889	$ 6,948	**$ 34,396**	$ 27,455	$ 7,772
Add back non-cash items						
Amortization	**7,647**	2,083	2,031	**12,856**	4,126	4,026
(Gain) loss on disposal of capital assets	**(137)**	127	–	**(130)**	385	186
Accretion expense	**15**	15	15	**30**	30	30
Non-cash unit based incentive compensation	**359**	93	44	**930**	141	88
Future taxes	**7,477**	22	70	**7,591**	47	110
Funds flow from operations	**36,572**	24,229	9,108	**55,673**	32,184	12,212
Net changes in non-cash working capital *(Note 8)*	**18,374**	41	8,569	**3,525**	6,528	6,643
Cash from operating activities	**54,946**	24,270	17,677	**59,198**	38,712	18,855
FINANCING ACTIVITIES						
Proceeds from long-term debt	**53**	–	–	**28,003**	–	158
Long-term debt repayments	**(16,720)**	(1,340)	(1,120)	**(50,188)**	(2,548)	(2,228)
Distributions to Class B Limited Partners	**(2,341)**	(1,542)	(1,675)	**(4,397)**	(3,025)	(3,491)
Distributions to Class C Limited Partners	**(1,474)**	–	–	**(2,601)**	–	–
Distributions to Unitholders	**(9,367)**	(5,048)	(3,855)	**(17,476)**	(9,885)	(7,554)
Fund units issued, net of issue costs	**915**	604	577	**48,148**	1,663	1,206
Net changes in non-cash working capital *(Note 8)*	**864**	142	(3,678)	**(11,181)**	(1,092)	(3,672)
Cash used for financing activities	**(28,070)**	(7,184)	(9,751)	**(9,692)**	(14,887)	(15,581)
INVESTING ACTIVITIES						
Acquisition of Neufeld Petroleum *(Note 5)*	**(1,906)**	–	–	**(47,907)**	–	–
Acquisition of Joy Propane Ltd. *(Note 6)*	**(9,872)**	–	–	**(9,872)**	–	–
Acquisition of United Petroleum Products Inc. *(Note 7)*	**(10,425)**	–	–	**(10,425)**	–	–
Change in other assets	**393**	114	(69)	**179**	277	(38)
Purchase of capital assets	**(4,234)**	(3,899)	(1,374)	**(6,692)**	(6,221)	(1,887)
Proceeds on sale of capital assets	**555**	284	81	**1,258**	441	81
Refinery remediation expenditures	**–**	–	(33)	**–**	–	(43)
Cash used for investing activities	**(25,489)**	(3,501)	(1,395)	**(73,459)**	(5,503)	(1,887)
Increase (decrease) in cash	**1,387**	13,585	6,531	**(23,953)**	18,322	1,387
Cash and cash equivalents, beginning of period	**11,122**	13,027	142	**36,462**	8,290	5,286
Cash and cash equivalents, end of period	**$ 12,509**	$ 26,612	$ 6,673	**$ 12,509**	$ 26,612	$ 6,673
Cash interest paid	**$ 139**	$ 242	$ 216	**$ 781**	$ 492	$ 414
Cash taxes paid	**$ 193**	$ 1,132	$ 159	**$ 209**	$ 1,176	$ 159

Notes to Consolidated Financial Statements

1. UPDATE TO ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements dated December 31, 2006, except as noted below. These financial statements should be read in conjunction with the annual financial statements and notes.

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.

Intangible Assets

Customer relationships and tradenames acquired during the acquisition of Neufeld Petroleum 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 the non-compete agreement acquired during the acquisition of Neufeld Petroleum 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.

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.

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 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.

a) 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 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.

b) 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.

c) 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 it 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 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.

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.

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.

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 sales 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 fair value of financial instruments are unchanged as a result of implementing the new standard.

3. UNITHOLDERS' CAPITAL

	THREE MONTHS ENDED JUNE 30, 2007		YEAR ENDED DECEMBER 31, 2006	
	UNITS (000s)	**($000s)**	UNITS (000s)	($000s)
Class B Limited Partnership Units				
Balance, beginning of period	**8,566**	**$ 12,310**	8,724	$ 13,055
Allocation of retained earnings	**–**	**6,167**	–	13,581
Distribution to partners	**–**	**(4,397)**	–	(12,934)
Exchanged for Fund units	**(5)**	**(13)**	(158)	(1,392)
Balance, end of period	**8,561**	**$ 14,067**	8,566	$ 12,310
Class C Limited Partnership Units				
Balance, beginning of period	**–**	**$ –**	–	$ –
Issued on capital acquisition, net of issue costs	**5,519**	**58,192**	–	–
Allocation of retained earnings	**–**	**4,204**	–	–
Distribution to partners	**–**	**(2,601)**	–	–
Balance, end of period	**5,519**	**$ 59,795**	–	$ –
Fund Units				
Balance, beginning of period	**30,014**	**$ 65,750**	28,288	$ 45,046
Allocation of retained earnings	**–**	**24,025**	–	45,010
Issued on vesting of restricted units	**26**	**–**	–	–
Unit incentive compensation	**–**	**930**	–	341
Issued for cash, net of issue costs	**4,080**	**47,085**	–	–
Issued pursuant to the distribution reinvestment plan	**24**	**307**	63	491
Issued under unit option plan	**132**	**756**	339	1,744
To be issued pursuant to special distribution	**–**	**–**	1,165	14,963
Distribution to unitholders	**–**	**(17,476)**	–	(43,237)
Exchange of Limited Partnership units	**5**	**13**	159	1,392
Balance, end of period	**34,281**	**$ 121,390**	30,014	$ 65,750
	48,361	**$ 195,252**	38,580	$ 78,060

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.

Unit Option Plan

The table below represents the status of the Fund's Unit Options Plan as at June 30, 2007 and the changes therein for the period then ended:

	SIX MONTHS ENDED JUNE 30, 2007		YEAR ENDED DECEMBER 31, 2006	
	NUMBER OF OPTIONS UNITS (000s)	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER OF OPTIONS UNITS (000s)	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**1,228**	**$ 6.20**	1,650	$ 6.03
Cancelled	**–**	**–**	(84)	$ 7.01
Exercised	**(132)**	**5.73**	(338)	$ 5.18
Balance, end of period	**1,096**	**$ 6.25**	1,228	$ 6.20
Exercisable options, end of period	**916**	**$ 6.08**	813	$ 5.58

Exercise prices for outstanding options at June 30, 2007 have the following ranges: 286,902 from $4.15 - $5.87, 268,008 from $6.32 - $6.68 and 541,011 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 $530,710. The compensation cost that has been charged against income for the six months ended June 30, 2007 is $62,793 (June 30, 2006 - $82,526, June 30, 2005 - $88,452).

Restricted Unit Plan

Effective January 1, 2006, the Fund adopted a Restricted Units Plan to complement the Option Plan and Unit Distribution Rights Plan. Under the Plan the units vest over a five year period and are subject to entity performance criteria.

Details of the Plan are set out in the Notice of Annual and Special Meeting of Unitholders dated March 16, 2007.

The table below represents the status of the Fund's Restricted Unit Plan as at June 30, 2007 and the changes therein for the period then ended:

	SIX MONTHS ENDED JUNE 30, 2007		YEAR ENDED DECEMBER 31, 2006	
	NUMBER OF UNITS (000s)	**WEIGHTED AVERAGE UNIT PRICE ($/UNIT)**	NUMBER OF UNITS (000s)	WEIGHTED AVERAGE UNIT PRICE ($/UNIT)
Balance, beginning of period	**131**	**$ 6.60**	–	$ –
Granted	**141**	**12.38**	137	6.60
Issued	**(26)**	**6.60**	–	–
Cancelled	**(2)**	**12.38**	(6)	6.55
Balance, end of period	**244**	**$ 9.90**	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 the restricted units granted in 2007 is $1.7 million. The compensation cost that has been included in marketing, general and administrative expenses for the six months ended June 30, 2007 is $0.9 million.

4. SEGMENTED INFORMATION

The Fund's operations have been predominantly in fuel marketing and convenience store sales in western Canada. With the acquisitions of Neufeld Petroleum, Joy Propane and United Petroleum, 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 margins. The segregation of capital expenditures and total assets is not practical as the reportable segments represent product sales that are generated from common locations.

	FOR THE THREE MONTHS ENDED				FOR THE SIX MONTHS ENDED			
($000s) (UNAUDITED)	FUEL MARKETING	CONVENIENCE STORE MERCHANDISE	COMMERCIAL	TOTAL	FUEL MARKETING	CONVENIENCE STORE MERCHANDISE	COMMERCIAL	TOTAL
JUNE 30, 2007								
Net sales and operating revenue	**$ 387,006**	**$ 16,239**	**$ 21,383**	**$ 424,628**	**$ 697,494**	**$ 30,614**	**$ 30,526**	**$ 758,634**
Cost of sales	**324,974**	**12,021**	**15,918**	**352,913**	**603,605**	**22,730**	**20,589**	**646,924**
Gross margin	**$ 62,032**	**$ 4,218**	**$ 5,465**	**$ 71,715**	**$ 93,889**	**$ 7,884**	**$ 9,937**	**$ 111,710**
JUNE 30, 2006								
Net sales and operating revenue	$ 305,324	$ 14,842	$ –	$ 320,166	$ 533,761	$ 27,957	$ –	$ 561,718
Cost of sales	269,337	10,900	–	280,237	478,351	20,669	–	499,020
Gross margin	$ 35,987	$ 3,942	$ –	$ 39,929	$ 55,410	$ 7,288	$ –	$ 62,698
JUNE 30, 2005								
Net sales and operating revenue	$ 196,664	$ 11,513	$ –	$ 208,177	$ 364,284	$ 20,974	$ –	$ 385,258
Cost of sales	176,852	8,238	–	185,090	332,553	15,309	–	347,862
Gross margin	$ 19,812	$ 3,275	$ –	$ 23,087	$ 31,731	$ 5,665	$ –	$ 37,396

5. 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::

	($000s)
Estimated fair value of net assets acquired:	
Capital assets	$ 89,896.9
Working capital, net (excluding bank indebtedness)	21,750.0
Intangible asset - customer relationships	6,442.7
Intangible asset - tradenames	4,711.8
Intangible asset - non compete agreement	577.0
	$123,378.4
Consideration:	
Cash paid to vendor	$ 23,841.8
Class C Limited Partnership Units	46,640.0
Acquisition costs	1,905.7
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
	$123,378.4

The effective date of the transaction was November 1, 2006. The interim period net earnings after tax to January 24, 2007 of $3,995.4 have been credited to the purchase price. The above purchase price allocation is subject to change. The value of the Class C Limited Partnership units was adjusted to reflect a discount calculated due to the restrictions on conversion to publicly tradeable units.

6. 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:

	($000s)
Estimated fair value of net assets acquired:	
Capital assets	$ 9,716.7
Working capital, other	887.4
Cash	1,414.0
Goodwill	4,368.0
	$ 16,386.1
Consideration:	
Cash paid to vendor	$ 11,201.5
Acquisition costs	84.6
Class C Limited Partnership Units	5,100.0
	$ 16,386.1

The effective date of the transaction was February 28, 2007. The interim period net earnings after tax to April 24, 2007 of $168.5 have been credited to the purchase price. The above purchase price allocation is subject to change pending completion of the valuation of the intangible assets.

7. ACQUISITION OF UNITED PETROLEUM PRODUCTS INC.

On May 2, 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:

	($000'S)
Estimated fair value of net assets acquired:	
Capital assets	$ 2,538.4
Working capital, net	1,789.5
Goodwill	13,311.8
	$ 17,639.7
Consideration:	
Cash paid to vendor	$ 10,382.9
Acquisition costs	41.7
Class C Limited Partnership Units	6,500.0
Bank debt assumed	715.1
	$ 17,639.7

The effective date of the transaction was May 1, 2007. The above purchase price allocation is subject to change pending completion of the valuation of the intangible assets.

8. NET CHANGES IN NON-CASH WORKING CAPITAL

	FOR THE THREE MONTHS ENDED JUNE 30			FOR THE SIX MONTHS ENDED JUNE 30		
(000'S) (UNAUDITED)	**2007**	2006	2005	**2007**	2006	2005
Accounts receivable	**$ 1,848**	$ (9,254)	$ 80	**$ (7,580)**	$ (6,774)	$ (7,440)
Inventories	**(596)**	554	749	**(2,418)**	517	99
Prepaid expenses and other	**6,443**	(245)	(250)	**565**	83	226
Accounts payable	**2,017**	10,124	7,990	**508**	13,840	13,758
Deferred revenue	**(4,139)**	–	–	**448**	–	–
Income taxes payable	**12,801**	(1,138)	–	**12,002**	(1,138)	–
Subtotal for operating activities	**$ 18,374**	$ 41	$ 8,569	**$ 3,525**	$ 6,528	$ 6,643
Distributions declared and payable	**$ 864**	$ 142	$ (3,678)	**$ (11,181)**	$ (1,092)	$ (3,672)

9. FINANCIAL INSTRUMENTS

The Fund's exposure under its financial instruments is limited to financial assets and liabilities, all of which are included in the financial statements. The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying amounts.

The Fund's accounts receivables are subject to normal credit risks.

The Fund is exposed to interest rate risk to the extent that bank debt is at a floating rate of interest.

10. FUTURE INCOME TAXES

On June 12, 2007, Bill C-52 Budget Implementation Act, 2007 was substantively enacted by the Canadian federal government, which contains legislation to tax publicly traded trusts in Canada. As a result, a new 31.5 per cent tax will be applied to distributions from Canadian public income trusts. The new tax is not expected to apply to the Fund until 2011 as a transition period applies to publicly traded trusts that existed prior to November 1, 2006. As a result of this substantive enactment of trust taxation, the Fund recorded an additional $7,477 future income tax expense and increased its future income tax liability in the second quarter of 2007. The future income tax adjustment represents the taxable temporary differences of the Fund tax affected at 31.5 per cent, which is the rate that will be applicable in 2011 under the current legislation and the Fund's current corporate structure.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the presentation adopted in the current period.

Supplementary Information

(000'S) (UNAUDITED)	FOR THE THREE MONTHS ENDED JUNE 30 **2007**	2006	2005	FOR THE SIX MONTHS ENDED JUNE 30 **2007**	2006	2005
Volume *(millions of litres)*						
Retail fuel	**136**	130	123	**268**	248	239
Wholesale fuel	**314**	244	167	**592**	455	319
Propane	**21**	–	–	**51**	–	–
Total volume	**471**	374	290	**911**	703	558
Net sales and operating revenue *($000's)*						
Retail fuel	**$ 118,598**	$ 113,839	$ 94,016	**$ 215,675**	$ 203,162	$ 173,296
Wholesale fuel	**260,725**	191,485	102,648	**460,788**	330,599	190,988
Propane	**7,683**	–	–	**21,031**	–	–
Convenience store merchandise sales	**16,239**	14,842	11,513	**30,614**	27,957	20,974
Commercial sales	**21,383**	–	–	**30,526**	–	–
Total net sales and operating revenue	**424,628**	$ 320,166	$ 208,177	**758,634**	$ 561,718	$ 385,258
Gross margin *($000's)*	**$ 71,715**	$ 39,929	$ 23,087	**$ 111,710**	$ 62,698	$ 37,396
Less: Convenience store merchandise gross margin	**$ 4,218**	$ 3,942	$ 3,275	**$ 7,884**	$ 7,288	$ 5,665
Other revenue included in gross margin	**7,669**	1,985	1,702	**14,078**	3,637	3,331
Fuel and propane gross margin	**$ 59,828**	$ 34,002	$ 18,110	**$ 89,748**	$ 51,773	$ 28,400
Cents per litre	**$ 0.1270**	$ 0.0909	$ 0.0624	**$ 0.0985**	$ 0.0736	$ 0.0509
Station counts:						
Retail (Parkland and commission operated)						
Fas Gas				83	98	120
Fas Gas Plus				92	95	86
Esso				6	2	–
				181	195	206
Wholesale (Independent dealer)						
Race Trac Fuels				170	201	222
Fas Gas Plus				23	12	–
Esso				172	150	–
				365	363	222
Total stations				546	558	428

Corporate Information

HEAD OFFICE
Suite 236, Riverside Office Plaza
4919 - 59th Street
Red Deer, Alberta
T4N 6C9
Tel: (403) 357-6400
Fax: (403) 352-0042
Email: corpinfo@parkland.ca
Website: www.parkland.ca

BANKER
HSBC Bank Canada
108, 4909 - 49th Street
Red Deer, Alberta
T4N 1V1

AUDITORS
PricewaterhouseCoopers LLP
3100, 111 - 5th Avenue SW
Calgary, Alberta
T2P 5L3

LEGAL COUNSEL
Bennett Jones LLP
4500, Bankers Hall East
855 - 2nd Avenue SW
Calgary, Alberta
T2P 4K7

STOCK EXCHANGE LISTING
Toronto Stock Exchange
Trading Symbol: PKI.UN

REGISTRAR AND TRANSFER AGENT
Valiant Trust Company
310, 606 - 4th Street SW
Calgary, Alberta
T2P 1T1

DIRECTORS
John F. Bechtold
Robert G. Brawn
Michael W. Chorlton
Jim Dinning
Alain Ferland
Kris Matthews
Jim Pantelidis
Ron Rogers
David A. Spencer

OFFICERS
Michael W. Chorlton
President and CEO

John G. Schroeder
Vice President and CFO
Corporate Secretary
Chief Privacy Officer

Chris R. Podolsky
Corporate Controller

Kelly G. Collier
Controller, Retail

WHOLLY OWNED SUBSIDIARIES
986408 Alberta Ltd.
986413 Alberta Ltd.
Joy Propane Ltd.
Neufeld Petroleum & Propane Ltd.
Parkland Holdings Limited Partnership
Parkland Industries Limited Partnership
Parkland Industries Ltd.
Parkland Investment Trust
Parkland Refining Ltd.
United Petroleum Products Inc.