Parkland Fuel Corporation

Consolidated Balance Sheets
(Unaudited)

(in 000's of Canadian Dollars)	As at September 30, 2013	As at December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	**6,463**	14,676
Accounts receivable (Note 5)	**417,417**	326,088
Inventories (Note 6)	**117,838**	75,911
Income tax receivable	**659**	-
Risk management (Note 7)	**3,492**	2,015
Prepaid expenses and other	**12,035**	9,425
	557,904	428,115
Property, plant and equipment (Note 8)	**289,043**	258,404
Intangible assets (Note 9)	**132,720**	106,973
Goodwill (Note 10)	**132,493**	91,138
Long-term receivables (Note 11)	**11,616**	10,315
Deferred tax asset	**8,337**	8,509
	1,132,113	903,454
Liabilities		
Current Liabilities		
Bank indebtedness	**9,647**	-
Accounts payable and accrued liabilities	**322,974**	175,351
Dividends declared and payable	**6,157**	5,777
Income tax payable	**-**	20,034
Deferred revenue	**1,398**	6,602
Long-term debt - current portion (Note 12)	**1,439**	906
Risk management (Note 7)	**8,613**	929
Other long-term liabilities - current portion	**2,281**	250
	352,509	209,849
Long-term debt (Note 12)	**169,094**	153,540
Other long-term liabilities	**9,987**	1,208
Convertible debentures (Note 13)	**127,190**	136,907
Asset retirement obligations (Note 14)	**31,199**	30,293
Refinery and terminal remediation accrual (Note 15)	**13,093**	13,957
Deferred tax liability	**9,715**	4,967
	712,787	550,721
Shareholders' Equity		
Shareholders' capital (Note 16)	**398,149**	349,591
Contributed surplus	**5,053**	2,964
Accumulated other comprehensive loss	**-**	(324)
Retained earnings	**16,124**	502
	419,326	352,733
	1,132,113	903,454

Commitments (Note 20)
Contingencies (Note 25)
Subsequent Events (Note 26)
The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Parkland Fuel Corporation
Consolidated Statements of Income

For the three and nine months ended September 30, 2013 and 2012

(Unaudited)

(in 000's of Canadian Dollars and shares except per share amounts)	Three months ended September 30, **2013**	Three months ended September 30, 2012	Nine months ended September 30, **2013**	Nine months ended September 30, 2012
Sales and operating revenue	**1,509,040**	1,059,523	**4,064,561**	3,135,229
Cost of sales, excluding depreciation	**1,396,280**	947,050	**3,695,299**	2,802,185
Customer finance income	**(589)**	(794)	**(1,789)**	(2,453)
Operating costs	**44,129**	33,251	**130,004**	113,040
Marketing, general and administrative	**24,922**	18,458	**77,064**	58,015
Depreciation and amortization	**14,076**	12,282	**42,410**	38,734
Finance costs (Note 17)	**4,425**	4,590	**14,009**	16,050
Foreign exchange loss (gain) (Note 7)	**879**	(36)	**(789)**	(105)
Loss (gain) on disposal of property, plant and equipment	**1,217**	(631)	**1,617**	49
(Gain) loss on risk management activities (Note 7)	**(2,490)**	1,123	**11,491**	6,775
Earnings before income taxes	**26,191**	44,230	**95,245**	102,939
Income tax expense (recovery)				
Current	**6,459**	11,663	**25,810**	30,669
Deferred	**671**	746	**(485)**	(3,002)
Net earnings	**19,061**	31,821	**69,920**	75,272
Net earnings per share (Note 4)				
- Basic	**0.27**	0.48	**1.00**	1.14
- Diluted	**0.27**	0.44	**0.99**	1.08
Shares outstanding	**71,020**	67,204	**71,020**	67,204

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Comprehensive Income

(Unaudited)

(in 000's of Canadian Dollars)	Three months ended September 30, **2013**	2012	Nine months ended September 30, **2013**	2012
Net earnings	**19,061**	31,821	**69,920**	75,272
Other comprehensive income (loss), net of tax:				
Other comprehensive income, in the future potentially to be reclassified to consolidated statement of income:				
Loss on interest rate swaps due to change in fair value, net of tax expense of $87 and net of tax benefit of $343 for the three and nine month period ended September 30, 2012	**-**	322	**-**	(1,272)
Income on interest rate swaps due to de-designation of the hedging item, net of tax expense for nine months ended September 30, 2013 amounted to $87 (three and nine months ended September 30, 2012 - $151)	**-**	560	**324**	560
Comprehensive income (loss)	**-**	882	**324**	(712)
Total comprehensive income, net of tax	**19,061**	32,703	**70,244**	74,560

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Changes in Equity

(Unaudited)

(in 000's of Canadian Dollars and shares)	Three months ended September 30,					
	Shareholders' capital	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total	Number of shares
2013						
Balance, beginning of period	385,435	4,231	15,459	-	405,125	70,227
Net earnings for the period	-	-	19,061	-	19,061	-
Dividends	-	-	(18,396)	-	(18,396)	-
Share incentive compensation	-	825	-	-	825	-
Issued under dividend reinvestment plan, net of issue costs	12,570	-	-	-	12,570	783
Issued under share option plan	54	(3)	-	-	51	4
Issued upon conversion of debentures	90	-	-	-	90	6
Balance, end of period	398,149	5,053	16,124	-	419,326	71,020
2012						
Balance, beginning of period	324,596	2,489	(6,573)	(1,594)	318,918	66,335
Net earnings and comprehensive income for the period	-	-	31,821	-	31,821	-
Other comprehensive income (Net of tax)	-	-	-	882	882	-
Dividends	-	-	(17,060)	-	(17,060)	-
Share incentive compensation	-	48	-	-	48	-
Issued under dividend reinvestment plan, net of issue costs	11,925	-	-	-	11,925	820
Issued under share option plan	158	-	-	-	158	22
Issued upon conversion of debentures	401	-	-	-	401	27
Balance, end of period	337,080	2,537	8,188	(712)	347,093	67,204

(in 000's of Canadian Dollars and shares)	Nine months ended September 30,					
	Shareholders' Capital	Contributed Surplus	Retained Earnings (Deficit)	Other Comprehensive Loss	Total	Number of shares
2013						
Balance, beginning of period	349,591	2,964	502	(324)	352,733	67,973
Net earnings for the period	-	-	69,920	-	69,920	-
Other comprehensive loss (net of tax)	-	-	-	324	324	-
Dividends	-	-	(54,298)	-	(54,298)	-
Share incentive compensation	-	2,525	-	-	2,525	-
Issued under dividend reinvestment plan, net of issue costs	36,824	-	-	-	36,824	2,205
Issued under share option plan	287	(11)	-	-	276	36
Issued on vesting of restricted shares	-	(425)	-	-	(425)	22
Issued upon conversion of debentures	11,447	-	-	-	11,447	784
Balance, end of period	398,149	5,053	16,124	-	419,326	71,020
2012						
Balance, beginning of period	300,981	1,814	(16,601)	-	286,194	64,354
Net earnings for the period	-	-	75,272	-	75,272	-
Other comprehensive income (Net of tax)	-	-	-	(712)	(712)	-
Dividends	-	-	(50,483)	-	(50,483)	-
Share incentive compensation	-	794	-	-	794	-
Issued under dividend reinvestment plan, net of issue costs	35,235	-	-	-	35,235	2,641
Issued under share option plan	463	(71)	-	-	392	73
Issued on vesting of restricted shares	-	-	-	-	-	109
Issued upon conversion of debentures	401	-	-	-	401	27
Balance, end of period	337,080	2,537	8,188	(712)	347,093	67,204

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Parkland Fuel Corporation
Consolidated Statements of Cash Flows

(Unaudited)

(in 000's of Canadian Dollars)	Three months ended September 30, 2013	2012	Nine months ended September 30, 2013	2012
Cash flows from operating activities				
Net earnings	**19,061**	31,821	**69,920**	75,272
Adjustments for:				
Depreciation and amortization	**14,076**	12,282	**42,410**	38,734
Loss (gain) on disposal of property, plant and equipment	**1,217**	(631)	**1,617**	49
Share incentive compensation	**994**	1,113	**3,449**	1,859
Refinery and terminal remediation accrual	**136**	(67)	**408**	358
Accretion expense on asset retirement obligation	**89**	(690)	**239**	167
Change in risk management activities	**(9,611)**	361	**1,367**	125
Increase in other long-term liabilities	**-**	-	**2,385**	-
Accretion on convertible debentures (Note 13)	**580**	583	**1,727**	1,737
Deferred taxes	**671**	746	**(485)**	(3,002)
Cash expenditures on asset retirement obligation	**(522)**	(848)	**(1,105)**	(1,614)
Net changes in non-cash working capital (Note 21)	**(65,831)**	2,937	**19,362**	67,259
Cash (used) generated from operating activities	**(39,140)**	47,607	**141,294**	180,944
Financing Activities				
Long-term debt repayments	**(123,137)**	(91,171)	**(396,812)**	(220,268)
Proceeds from long-term debt	**173,000**	-	**410,629**	97,175
Dividends to shareholders, net of dividend reinvestment plan	**(5,553)**	(5,064)	**(16,887)**	(15,051)
Shares issued for cash	**57**	192	**282**	497
Cash generated (used in) financing activities	**44,367**	(96,043)	**(2,788)**	(137,647)
Investing Activities				
Acquisition of Elbow River Marketing net of bank indebtedness assumed (Note 19a)	**-**	-	**(84,594)**	-
Acquired through Sparling's Propane (Note19b)	**-**	-	**(32,388)**	-
Acquired through TransMontaigne (Note 19c)	**-**	-	**(11,065)**	-
Acquired through Scotsburn and R-Gas (Note 19d)	**-**	-	**(2,390)**	-
Increase in long-term receivables	**(1,188)**	(1,415)	**(2,407)**	(3,053)
Additions of property, plant and equipment	**(9,918)**	(13,424)	**(26,256)**	(33,703)
Proceeds on sale of property, plant and equipment and intangibles	**1,287**	4,572	**2,734**	9,502
Cash used in investing activities	**(9,819)**	(10,267)	**(156,366)**	(27,254)
(Decrease) increase in cash	**(4,592)**	(58,703)	**(17,860)**	16,043
Cash, beginning of period	**1,408**	102,651	**14,676**	27,905
Cash, end of period	**(3,184)**	43,948	**(3,184)**	43,948
Represented by:				
Cash and cash equivalents	**6,463**	43,948	**6,463**	43,948
Bank indebtedness	**(9,647)**		**(9,647)**	
Total cash	**(3,184)**	43,948	**(3,184)**	43,948
Supplementary Cash Flow Information				
Interest paid	**1,884**	2,132	**10,063**	11,167
Interest received	**589**	794	**1,789**	2,453
Income taxes paid/(received)	**11,118**	7,831	**47,248**	33,873

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. REPORTING ENTITY AND DESCRIPTION OF THE BUSINESS

Parkland Fuel Corporation and its wholly owned subsidiaries (collectively the "Corporation" or "Parkland") is a Canadian independent marketer and distributor of crude oil, refined fuels and other related products, managing a nationwide network of sales channels for retail, commercial, wholesale and home heating fuel customers. The consolidated financial statements include the accounts of Parkland Fuel Corporation and its wholly-owned subsidiaries. Parkland Fuel Corporation was incorporated under the laws of the Province of Alberta on March 9, 2010 and has its corporate head office at Suite 236, Riverside Office Plaza, 4919 59th Street, Red Deer, Alberta.

2. BASIS OF PREPARATION

(a) General Information

These unaudited condensed interim consolidated financial statements were approved for issue by the board on November 7, 2013.

(b) Statement of Compliance

These unaudited condensed interim consolidated financial statements are prepared and reported in Canadian dollars in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). The CICA Handbook incorporates International Financial Reporting Standards ("IFRS") and publically accountable enterprises, like the Corporation, are required to apply such standards. These unaudited interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements and International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and the accounting policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS effective on September 30, 2013.

These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. This unaudited condensed interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2012 which have been prepared in accordance with IFRS.

(c) Use of Estimates

The preparation of the unaudited condensed interim consolidated financial statements necessarily involves the use of estimates and approximations. Should the underlying assumptions change, the actual amounts could differ from those estimated.

Estimates are used when appropriate for accounting purposes. These estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

Estimates are used when accounting for items such as amortization of property, plant and equipment, asset retirement obligations, the refinery and terminal remediation accrual, value in use calculations for impairment, intangible assets and goodwill, impairment and valuation allowances for accounts receivable and inventory, contingent liabilities including matters in litigation, fair value of financial instruments, income taxes, grants of options and restricted share units.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Parkland's key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2012, with the exception of the following change in the estimate.

Effective April 1, 2013, the amortization period for tanks included in property, plant and equipment changed. Previous to the start of the second quarter of 2013, Parkland amortized all tanks over a range of a five to thirty year period. With this change in estimate, effective April 1, 2013 onwards, tanks are prospectively amortized over a thirty year period. The impact commencing April 1, 2013 is to decrease depreciation and amortization expense by approximately $1,500 a quarter or $ 6,000 a year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted by Parkland in these unaudited condensed interim consolidated financial statements are the same as those applied by Parkland in its audited consolidated financial statements for the year ended December 31, 2012. Parkland had adopted these new standards effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

(a) IFRS 10 – Consolidated Financial Statements

Effective January 1, 2013, Parkland adopted retrospectively IFRS 10. This standard replaces all the guidance on the control and the consolidation requirements presented in IAS 27 Consolidated and Separate Financial Statements and SIC – 12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control which focuses on the need to have both power and variable economic returns before control is present. Power is the current ability to direct the activities that significantly influence economic returns. Returns must vary and can be positive, negative or both. The renamed IAS 27 continues to be a standard dealing solely with separate financial statements and its guidance is unchanged. The adoption of IFRS 10 has not impacted Parkland.

(b) IFRS 12 – Disclosure of Interest in Other Entities

Effective January 1, 2013 Parkland adopted retrospectively IFRS 12 which sets out the required disclosures for entities reporting under IFRS 10. It introduces additional disclosure requirements which will assist financial statement readers to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates and unconsolidated structured entities.

As of January 1, 2012, Parkland had 100% interest in the following subsidiaries: Parkland Industries Ltd., Bluewave Energy Ltd., Cango Inc., Neufeld Petroleum & Propane Ltd., Parkland Refining Ltd., Columbia Fuels Ltd., United Petroleum Products Inc. and 1472490 Alberta Ltd. On February 15, 2013, Parkland completed the acquisition of the assets and the liabilities of Elbow River Marketing Limited Partnership and, as a result, Parkland incorporated two wholly-owned subsidiaries: Elbow River Marketing Ltd. (“Elbow River Marketing”) and Elbow River Marketing USA Ltd. On April 2, 2013, Parkland acquired 100% interest in five Sparling companies. Four companies were amalgamated to form Sparling’s Propane Co. Limited. The fifth company, Sparling’s Propane Inc. became a subsidiary of Sparling’s Propane Co. Limited. In addition, Parkland incorporated a wholly owned subsidiary 2362917 Ontario Inc. which has a 100% interest in Sparling’s Propane Co. Limited. On May 13, 2013, Parkland entered into agreements to become Morgan Stanley’s fuel marketer for the province of Quebec, to assume customers and assets of TransMontaigne Marketing Canada Inc. (“TransMontaigne”), to lease terminal storage through CanTerm Canadian Terminals Inc. and to purchase inventory from Morgan Stanley Capital Group Inc., as a result, Parkland incorporated 1714141 Alberta Ltd., a wholly owned subsidiary.

(c) IFRS 13 – Fair Value Measurement

Effective January 1, 2013, Parkland adopted prospectively IFRS 13, a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. The adoption of IFRS 13 impacted Parkland’s disclosure of the fair value of financial instruments as disclosed in Note 7.

In 000's of Canadian Dollars, shares and options (except per share amount)

4. EARNINGS ANALYSIS AND EARNINGS PER SHARE

	Three months ended September 30,	
	2013	2012
Net earnings, basic	**19,061**	31,821
Interest and accretion on convertible debentures, net of tax	**2,562**	1,968
Net earnings, diluted	**21,623**	33,789
Earnings per share		
- basic	**0.27**	0.48
- diluted	**0.27**	0.44
Equivalent shares outstanding, beginning of year	**70,227**	66,335
Weighted average of equivalent shares issued pursuant to dividend reinvestment plan	**517**	560
Weighted average of equivalent shares issued pursuant to exercise of share options	**4**	7
Weighted average of equivalent shares issued pursuant to conversion of convertible debentures	**4**	12
Denominator utilized in basic earnings per share	**70,752**	66,914
Incremental equivalent share options that were dilutive	**149**	69
Incremental equivalent shares for debentures that were dilutive	**8,560**	9,463
Denominator utilized in diluted earnings per share	**79,461**	76,446

	Nine months ended September 30,	
	2013	2012
Net earnings, basic	**69,920**	75,272
Interest and accretion on convertible debentures, net of tax	**7,695**	6,116
Net earnings, diluted	**77,615**	81,388
Earnings per share		
- basic	**1.00**	1.14
- diluted	**0.99**	1.08
Equivalent shares outstanding, beginning of year	**67,973**	64,354
Weighted average of equivalent shares issued pursuant to restricted share unit plan	**22**	109
Weighted average of equivalent shares issued pursuant to dividend reinvestment plan	**1,190**	1,519
Weighted average of equivalent shares issued pursuant to exercise of share options	**20**	34
Weighted average of equivalent shares issued pursuant to conversion of convertible debentures	**700**	4
Denominator utilized in basic earnings per share	**69,905**	66,020
Incremental equivalent share options that were dilutive	**153**	55
Incremental equivalent shares for debentures that were dilutive	**8,560**	9,463
Denominator utilized in diluted earnings per share	**78,618**	75,538

In 000's of Canadian Dollars, shares and options (except per share amount)

5. ACCOUNTS RECEIVABLE

	September 30, 2013	December 31, 2012
Trade accounts receivable	**361,211**	269,482
Miscellaneous, government and other non-trade accounts receivable	**65,530**	64,750
Allowance for doubtful accounts	**(9,324)**	(8,144)
	417,417	326,088

The allowance for doubtful accounts is provisions on trade accounts receivable. Trade accounts receivable, net of the allowance for doubtful accounts is $351,887 (December 31, 2012 - $261,338). Miscellaneous, government and other non-trade accounts receivable are reported net of allowances for doubtful accounts.

6. INVENTORIES

	September 30, 2013	December 31, 2012
Gas and diesel	**62,418**	43,681
Lubricants	**19,283**	21,382
Crude oil	**5,307**	-
Agricultural inputs	**4,218**	7,443
Natural gas and NGL MX	**4,549**	-
Propane and Butane	**18,875**	1,164
Other	**3,188**	2,241
	117,838	**75,911**

For the three and nine months ended September 30, 2013, the amount of inventory recognized as cost of goods sold amounted to $1,396,280 and $3,695,299, respectively ($947,066 and $2,802,185 for the three and nine months ended September 30, 2012, respectively).

7. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

Parkland periodically enters into derivative contracts which, although not accounted for as hedges because they have not been documented as such, or do not qualify under IFRS, are believed to be economically effective at managing exposure to commodity price, US dollar exchange and market interest rate movements and are a component of the Company's overall risk management program. Parkland's financial assets and liabilities which are measured at fair value in the consolidated balance sheets use fair value categorized by level according to the significance of the inputs used in making the measurements. The fair value measurement heirarchy levels are defined as follows:

In 000's of Canadian Dollars, shares and options (except per share amount)

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

As at September 30, 2013, Parkland's recurring measurements of the put options contracts, commodities forward contracts, US dollar forward exchange contracts and interest rate swaps were at fair value based on Level 2 inputs.

Parkland used the following techniques to value financial instruments categorized in Level 2:

- the fair value of the oustanding NYMEX New York harbour WTI to heating oil and gasoline put options contracts are determined using external counterparty information, which is compared to observable data. Parkland limits its credit risk by executing counterparty risk procedures which include transacting only with financial institutions within Parkland's Credit Facility (see Note 12).
- The fair value of commodities forward contracts, and US dollar forward exchange contracts are determined using independent price publications, third party pricing services, market exchanges and investment dealer quotes.

The fair value of the outstanding NYMEX New York harbour WTI to heating oil and gasoline put option contracts, commodities forward contracts, US dollar forward exchange contracts and interest rate swaps are reflected on the consolidated balance sheets with the changes in fair value during the period recorded in the consolidated statements of income within loss (gain) on risk management activities and finance costs.

Net risk management positions

	September 30, 2013	December 31, 2012
Risk management assets		
Put options contracts	**-**	2,015
Commodities forward contracts	**3,270**	-
US dollar forward exchange contracts	**222**	-
	3,492	**2,015**
Risk management liabilities		
Commodities forward contracts	**(8,115)**	**-**
Interest rate swap	**(498)**	**(929)**
	(8,613)	**(929)**
	(5,121)	**1,086**

In 000's of Canadian Dollars, shares and options (except per share amount)

Reconciliation of net risk management positions

January 1, 2013 to September 30, 2013					
	Interest rate swap (1)	**Put option contracts**	**Commodities forward contracts**	**US dollar forward exchange contracts**	**Total net asset (liability)**
Total fair value, beginning of period	(929)	2,015	-	-	1,086
Additions	-		(5,437)	153	(5,284)
Change in fair value - unrealized gain/loss	431		592	69	1,092
Change in fair value - realized loss	-	(17)	(11,261)	(878)	(12,156)
Value (received) paid upon exercising	-	(1,998)	11,261	878	10,141
Total fair value, end of period	**(498)**	**-**	**(4,845)**	**222**	**(5,121)**

(1) Adjustments to the fair value of the interest rate swap are included in finance costs

January 1, 2012 to December 31, 2012			
	Interest Swap(1)	**Put option contracts**	**Total**
Total fair value, beginning of year		347	347
Additions	(929)	10,745	9,816
Change in fair value - unrealized loss	-	(3,709)	(3,709)
Change in fair value - realized loss	-	(5,368)	(5,368)
Total fair value, end of year	**(929)**	**2,015**	**1,086**

(1) Adjustments to the fair value of the interest rate swap are included in finance costs

As at September 30, 2013 Parkland had commodities forward contracts (relating to the sale of butane, propane, natural gasoline, crude oil and ethanol), US dollar forward exchange contracts and interest rate swaps outstanding. Details of the fair value of these financial instruments are as follows:

Net fair value of commodities price position at September 30, 2013

Commodities forward contracts Settlement dates	Average Monthly Volume (bbl)	Price $/(bbl)	Fair value
Crude and Heavy Oil			
October - December 2013	83,673	93.45 - 132.23	(886)
January - March 2014	14,400	93.45 - 99.77	(76)
			(962)
Liquid Petroleum Gases			
October - December 2013	300,897	37.17 - 119.05	(3,982)
January - March 2014	189,756	53.53 - 99.77	(3,476)
			(7,458)
Refined Fuels			
October - December 2013	36,025	78.44 - 116.45	27
January - March 2014	55,749	68.88 - 117.16	1,177
April - June 2014	55,749	68.88 - 117.16	1,165
July - September 2014	30,729	73.50 - 113.82	824
October - December 2014	16,500	81.48 - 108.26	382
			3,575
			(4,845)

Interest rate swap Expiry Date	Balance (000's of $)	Rate %	Fair value
June 30, 2014	150,000	3.44%	(498)
			(498)

US dollar forward exchange contracts Settlement dates	Amount US$	Forward rates CDN$	Fair value
October - December 2013	9,070	0.99795 - 1.055	189
January - March 2014	6,160	1.00045 - 1.047	32
April - June 2014	475	1.0030 - 1.0377	1
	15,705		222
Net fair value of risk management liability at September 30, 2013			**(5,121)**

The Corporation's policy is to recognize transfers between fair value measurement hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels in the period.

Financial instruments that are not measured at fair value on the balance sheet are cash and cash equivalents, accounts receivable, long-term receivables, bank indebtedness, accounts payable and accrued liabilities, dividends declared and payable, long-term debt and convertible debentures. The fair value of cash and cash equivalents, accounts receivable, bank indebtedness, account payable and accrued liabilities and dividends declared and payable approximate their carrying values as at September 30, 2013 due to the short term nature of these instruments. The carrying value of the long-term debt approximates fair value as at September 30, 2013 as the interest rate on the long-term debt is adjusted monthly. The carrying value of the long-term receivables approximates fair value as at September 30, 2013, as Parkland currently issues loans and advances to dealers and customers with similar terms. The convertible debentures had a carrying value of $127,190 as at September 30, 2013 (December 31, 2012 - $136,907) and a fair value of $124,940 as at September 30, 2013 (December 31, 2012 - $140,558).

Effective January 1, 2013, Parkland discontinued the cash flow hedge accounting of the interest rate swap due to its ineffectiveness. As a result, the loss on this hedge derivative was reclassified to net income under financing costs from accumulated other comprehensive loss and subsequent changes in fair value are recognized in financing costs.

BUSINESS RISKS

Credit Risk

A substantial portion of Parkland's accounts receivable balance is with customers in the oil and gas, mining and forestry industries and is subject to normal industry credit risks. The credit risk is minimized by Parkland's broad customer and geographic base. Parkland manages its exposure to credit risk through rigorous credit granting procedures, typically short payment terms and security interests where applicable. Parkland attempts to closely monitor the financial conditions of its customers and the industries in which they operate. Parkland performs ongoing credit evaluations of its customers and outstanding debts are regularly monitored and when deemed uncollectible a provision is established. At September 30, 2013, the provision for impairment of credit losses was $9,324 (December 31, 2012 - $8,144).

Parkland does not have a significant credit exposure to any individual customer. Parkland reviews each new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. The maximum exposure to credit risk at the reporting date is the carrying value of Parkland's accounts receivable balance. Parkland mitigates credit risk for certain customers through the use of standby and commercial letters of credit.

In 000's of Canadian Dollars, shares and options (except per share amount)

Aging analysis

As at September 30, 2013	**Current or within terms**	**31 - 60 Days past terms**	**61 - 90 Days past terms**	**Over 90 Days past terms**	**Total**
Trade Accounts Receivable, net of Allowance for Doubtful Accounts	**324,987**	**10,491**	**6,071**	**10,338**	**351,887**
Accounts Payable	**319,738**	**2,858**	**285**	**93**	**322,974**

As at December 31, 2012	Current or within terms	31 - 60 Days past terms	61 - 90 Days past terms	Over 90 Days past terms	Total
Trade Accounts Receivable, net of Allowance for Doubtful Accounts	235,265	12,720	4,055	9,298	261,338
Accounts Payable	173,793	1,192	203	163	175,351

Commodity Price Risk

Parkland is exposed to commodity price risk. The Corporation enters into derivative instruments from time to time to mitigate commodity price risk volatility. These financial instruments are subject to financial controls, risk management and monitoring procedures. The Corporation does not use derivative contracts for speculative purposes.

On September 30, 2013, a 5% change in commodity forward contract pricing, with other variables assumed constant, would have caused an increase or decrease to consolidated net earnings for the three and nine months month period ended September 30, 2013 of $2,242 and $7,772, respectively (September 30, 2012 – n/a)

Interest Rate Risk

Parkland is exposed to market risk from changes in the Canadian prime interest rate and Bankers' Acceptance rate which can impact its borrowing costs. Parkland analyzes the interest rate risk on a regular basis and mitigates that risk by considering refinancing, renewal of existing credit lines and hedging options. A 1% change in these interest rates, with all other variables assumed constant, would have caused an increase or decrease to consolidated net earnings for the three and nine month period ended September 30, 2013 of $94 and $221 respectively ($37 and $183 for the three and nine month period ended September 30, 2012, respectively).

On March 15, 2012, Parkland entered into interest rate swaps covering $150,000 of borrowings under its Credit Facility (see Note 12). The swaps require Parkland to pay a fixed interest rate of 1.69% plus 1.75%. The interest rate swaps expire on June 30, 2014 and Parkland will be exposed to variations in the interest rate on the full amount outstanding under its Credit Facility after this date unless Parkland enters into additional hedging agreements in the future. A 0.1% change in the market interest rate for the balance of the term of the swap, with all other variables assumed constant, would have caused an increase or decrease to consolidated net earnings for the three and nine months ended September 30, 2013 of $28 and $88, respectively ($27 and $53 for the three and nine months ended September 30, 2012, respectively).

In 000's of Canadian Dollars, shares and options (except per share amount)

US Dollar Currency Rate Risk

Parkland's foreign exchange risk exposure is from fluctuation in the US dollar relative to the Canadian dollar.

Parkland purchases and sells certain products in US dollars. Parkland enters into US dollar forward exchange contracts to mitigate its currency risk. As at September 30, 2013 Parkland had US dollar accounts payable totalling US$55,030, US dollar accounts receivable totalling US$52,152 and US dollar cash of US$970. US dollar accounts payable are payable in terms of less than 25 days and US dollar accounts receivable are receivable in terms of less than 25 days.

A $0.01 change in the US dollar versus the Canadian dollar, with all other variable assumed constant, would have resulted in an increase or decrease of approximately $47 and $270 in consolidated net earnings for the three and nine month period ended September 30, 2013 ($nil and $1 for the three and nine month period ended September 30, 2012 respectively).

Foreign Exchange (Gains) Losses

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Unrealized loss on foreign exchange	**597**	9	**159**	13
Realized loss (gain) on foreign exchange	**282**	(45)	**(948)**	(118)
Total loss (gain) on foreign exchange	**879**	(36)	**(789)**	(105)

Liquidity Risk

Liquidity risk is the risk that Parkland will encounter difficulties in meeting its short term financial obligations. Cash liquidity of Parkland is mainly provided by cash flows from operating activities and borrowings available under its Credit Facility (see Note 12). In managing liquidity risk, Parkland has access to various credit products at competitive rates. As at September 30, 2013, Parkland has available unused credit facilities in the amount of $205,146 (December 31, 2012 - $263,878). Parkland believes it has sufficient funding through the use of its facility to meet foreseeable borrowing requirements.

In 000's of Canadian Dollars, shares and options (except per share amount)

Undiscounted cash outflows relating to financial liabilities are outlined in the tables below:

As at September 30, 2013	2013	2014	2015	2016	2017	Thereafter	Total
Bank indebtedness	9,647	-	-	-	-	-	9,647
Accounts payable	322,974	-	-	-	-	-	322,974
Dividends declared and payable	6,157	-	-	-	-	-	6,157
Long-term debt, including capital lease obligations (1)	1,606	6,590	5,417	172,721	163	516	187,013
Obligations under operating leases	6,006	20,270	17,170	14,125	10,338	17,099	85,008
Convertible debentures (1)	2,050	93,100	47,561	-	-	-	142,711

(1) Principal and interest, including current portion

As at December 31, 2012	2013	2014	2015	2016	2017	Thereafter	Total
Accounts payable	175,351	-	-	-	-	-	175,351
Dividends declared and payable	5,777	-	-	-	-	-	5,777
Long-term debt, including capital lease obligations (1)	5,850	5,079	4,972	159,092	163	516	175,672
Obligations under operating leases	8,498	6,653	5,852	5,111	4,479	10,414	41,007
Other long-term liabilities (1)	268	-	-	-	-	-	268
Convertible debentures (1)	8,878	105,137	47,561	-	-	-	161,576

(1) Principal and interest, including current portion

In 000's of Canadian Dollars, shares and options (except per share amount)

8. PROPERTY, PLANT AND EQUIPMENT

Nine Months Ended September 30, 2013	Land	Land Improvements	Buildings	Assets under Capital Lease	Plant and Equipment	Total
Cost						
Balance, as at January 1, 2013	**37,528**	**28,741**	**70,844**	**7,141**	**305,100**	**449,354**
Additions	**2,092**	**530**	**3,372**	**1,157**	**51,337**	**58,488**
Disposals	**(1,681)**	**(191)**	**(518)**	**-**	**(4,097)**	**(6,487)**
Transfers	**-**		**-**	**(60)**	**60**	**-**
Balance, as at September 30, 2013	**37,939**	**29,080**	**73,698**	**8,238**	**352,400**	**501,355**
Accumulated depreciation						
Balance, as at January 1, 2013	**-**	**6,112**	**25,955**	**5,326**	**153,557**	**190,950**
Depreciation charge for the period	**-**	**581**	**3,178**	**489**	**20,482**	**24,730**
Disposals	**-**	**(61)**	**(365)**	**-**	**(2,942)**	**(3,368)**
Transfers	**-**		**-**	**(53)**	**53**	**-**
Balance, as at September 30, 2013	**-**	**6,632**	**28,768**	**5,762**	**171,150**	**212,312**
Carrying amount						
As at September 30, 2013	**37,939**	**22,448**	**44,930**	**2,476**	**181,250**	**289,043**

Year ended December 31, 2012	Land	Land Improvements	Buildings	Assets under Capital Lease	Plant and Equipment	Total
Cost						
Balance, as at January 1, 2012	43,821	27,930	69,037	7,141	261,929	409,858
Additions	11	1,503	5,522	-	52,462	59,498
Disposals	(6,304)	(692)	(3,715)	-	(9,291)	(20,002)
Balance, as at December 31, 2012	37,528	28,741	70,844	7,141	305,100	449,354
Accumulated depreciation						
Balance, as at January 1, 2012	-	5,559	22,570	2,997	131,771	162,897
Depreciation charge for the year	-	754	4,139	2,329	27,875	35,097
Disposals	-	(201)	(754)	-	(6,089)	(7,044)
Balance, as at December 31, 2012	-	6,112	25,955	5,326	153,557	190,950
Carrying amount						
As at December 31, 2012	37,528	22,629	44,889	1,815	151,543	258,404

At September 30, 2013, Parkland had assets under construction of $7,287 (December 31, 2012 - $7,329) consisting primarily of retail stations.

In 000's of Canadian Dollars, shares and options (except per share amount)

9. INTANGIBLE ASSETS

Nine Months Ended September 30, 2013	Customer Relationships	Trade names	Non-compete agreements	Rail Car Lease	Software systems	Total
Cost						
Balance, as at January 1, 2013	**158,304**	**6,601**	**3,835**	**-**	**18,072**	**186,812**
Additions	**33,110**	**5,829**	**2,275**	**1,550**	**-**	**42,764**
Disposals		**(185)**	**-**	**-**	**-**	**(185)**
Balance, as at September 30, 2013	**191,414**	**12,245**	**6,110**	**1,550**	**18,072**	**229,391**
Accumulated amortization						
Balance, as at January 1, 2013	**67,452**	**5,781**	**2,540**	**-**	**4,066**	**79,839**
Amortization charge for the period	**12,748**	**577**	**1,836**	**323**	**1,354**	**16,838**
Disposals	**-**	**(6)**	**-**	**-**	**-**	**(6)**
Balance, as at September 30, 2013	**80,200**	**6,352**	**4,376**	**323**	**5,420**	**96,671**
Carrying amount						
As at September 30, 2013	**111,214**	**5,893**	**1,734**	**1,227**	**12,652**	**132,720**

Year ended December 31, 2012	Customer Relationships	Trade names	Non-compete agreements	Rail Car Lease	Software systems	Total
Cost						
Balance, as at January 1, 2012	153,509	6,416	3,309	-	18,072	181,306
Additions	4,795	185	526	-	-	5,506
Balance, as at December 31, 2012	158,304	6,601	3,835	-	18,072	186,812
Accumulated amortization						
Balance, as at January 1, 2012	52,476	5,331	1,862	-	2,259	61,928
Amortization charge for the year	14,976	450	678	-	1,807	17,911
Balance, as at December 31, 2012	67,452	5,781	2,540	-	4,066	79,839
Carrying amount						
As at December 31, 2012	90,852	820	1,295	-	14,006	106,973

10. GOODWILL

	January 1, 2013 to September 30, 2013	January 1, 2012 to December 31, 2012
Balance, beginning of period	**91,138**	89,883
Acquisition of Elbow River Marketing net of bank indebtedness assumed (Note 19a)	**35,900**	-
Acquired through TransMontaigne (Note 19c)	**12**	-
Acquired through Scotsburn and R-Gas (Note 19d)	**159**	-
Acquired through Sparling's Propane (Note19b)	**5,284**	-
Acquired through Magnum Oil (MB) Ltd.	**-**	1,255
Balance, end of period	**132,493**	91,138

The Corporation did not identify any indicators of impairment during the period ended September 30, 2013.

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11. LONG-TERM RECEIVABLES

Long-term receivables consist of loans and advances to dealers and customers:

	September 30, 2013	December 31, 2012
Loans receivable	**1,195**	1,682
Advances to dealers	**10,421**	8,633
	11,616	10,315

Loans receivable are repayable in monthly instalments of $214 (December 31, 2012 - $148), bear interest at rates ranging between nil% and 10.25% (December 31, 2012 - nil% and 10.25%) and are secured by specific assets of the borrower.

Advances to dealers and customers are amortized based on the volume of fuel product purchased from Parkland. For every litre of fuel product purchased by the dealer or customer a portion of the loan is recognized as a reduction of sales and operating revenue. Advances to dealers and customers are secured by specific assets of the dealers and customers.

The current portion of loans receivable and advances to dealers and customers is included in accounts receivable in current assets.

12. FINANCING AND CREDIT FACILITIES

(a) Long-Term Debt

	September 30, 2013	December 31, 2012
Extendible facility	**170,000**	155,000
Capital lease obligations	**1,927**	1,374
Other loans	**190**	322
	172,117	156,696
Less deferred financing costs	**(1,584)**	(2,250)
	170,533	154,446
Less current portion	**(1,439)**	(906)
	169,094	153,540

Estimated repayments for the next five years are:

	2013	2014	2015	2016	2017	Thereafter	Interest expense included in minimum lease payments	Total
Obligations under capital lease	238	1,151	60	60	163	516	(261)	1,927
Extendible Facility and Other loans	38	117	35	170,000	-	-	-	170,190
	276	1,268	95	170,060	163	516	(261)	172,117

(b) Credit Facility

A revolving extendible credit facility (the "Credit Facility") agreement was executed on June 30, 2011 for a period of three years and subsequently amended on August 7, 2012 to extend the maturity date an additional two years to June 30, 2016. The facility is extendible each year for a rolling three-year period at the option of Parkland. If the Credit Facility is not extended past the maturity date of June 30, 2016, all amounts outstanding are repayable on the maturity date.

The Credit Facility is for a maximum amount of $450,000 (December 31, 2012 - $450,000) with interest only payable at the bank's prime lending rate plus 0.75% to 2.00% (December 31, 2012 – 0.75% to 2.00%) per annum.

The Credit Facility includes the following components:

i) A revolving operating loan to a maximum of $450,000 less the value of letters of credit issued (December 31, 2012 - $450,000). As at September 30, 2013, the outstanding borrowings totalled $187,981 (December 31, 2012 - $155,000). The revolving operating loan bears interest at prime plus 0.75% (December 31, 2012 prime plus 0.75%) or Bankers' Acceptance rate plus 1.75% (December 31, 2012 Bankers' Acceptance rate plus 1.75%). The interest rate at September 30, 2013 was 3.75% for prime-based loans (December 31, 2012 3.75% prime based loans) and 2.97% for Bankers' Acceptance based loans (December 31, 2012 Bankers' Acceptance based loans 2.98%).

ii) A letter of credit facility to a maximum of $85,000 (December 31, 2012 - $60,000). As at September 30, 2013, outstanding balances totalled $56,873 (December 31, 2012 - $31,182) which mature at various dates up to July 31, 2014.

The revolving operating loan incurs standby fees for any unused portion of the facility at a rate of 0.394% to 0.675% (December 31, 2012 – 0.394% to 0.675%) depending on the ratio of funded debt to earnings before interest, taxes and depreciation and amortization, gain (loss) on disposal of property, plant and equipment, non-cash board compensation, non-recurring transactions related to earnings (losses), cash payments related to non-cash charges that were added back previously, and (gain) loss from the change in fair value of commodities forward contracts and US dollar forward exchange contracts included in risk management activities. Security on the Credit Facility is the assignment of insurance and a floating charge demand debenture for $900,000 creating a first floating charge over all of the undertaking, property and assets of Parkland.

Deferred finance charges of $1,585 (December 31, 2012 - $2,250) have reduced the value of the Credit Facility and are amortized in proportion to the facility utilized.

At September 30, 2013, Parkland was in compliance with all debt covenants. Debt covenant ratios are tested on a trailing four quarter Adjusted EBITDA including acquisition related costs basis. The financial covenants under the Credit Facility are as follows:

1. Ratio of current assets to current liabilities shall not be less than 1.10 to 1.00 on a consolidated basis;
2. Ratio of senior funded debt (which excludes the convertible debentures and senior debt but includes issued letters of credit) to Adjusted EBITDA including acquisition related costs shall not exceed 3.00 to 1.00 during the second and third quarters and shall not exceed 3.50 to 1.00 during the first and fourth quarters of Parkland's fiscal year;
3. Ratio of total funded debt (which excludes the convertible debentures but includes issued letters of credit) to Adjusted EBITDA including acquisition related costs shall not exceed 4.00 to 1.00 during the second and third quarters and shall not exceed 4.50 to 1.00 during the first and fourth quarters of Parkland's fiscal year; and
4. Ratio of Adjusted EBITDA including acquisition related costs less maintenance capital expenditures and taxes to the sum of interest, principal and dividends after DRIP proceeds shall not be less than 1.15 to 1.00;

At September 30, 2013, the Corporation provided $290,484 (December 31, 2012 - n/a) of unsecured guarantees to counter parties of commodity and US dollar forward exchange contracts used in natural gas liquids and crude oil purchases.

(c) Capital Lease Obligations

Capital leases are payable in monthly instalments totalling $63 (December 31, 2012 - $72) including interest varying from 0% to 8.05% (December 31, 2012 - 0% to 8.05%). The leases are for land, buildings and equipment with a net book value of $2,476 (December 31, 2012 - $1,815), and mature at various dates ending up to July 2022.

13. CONVERTIBLE DEBENTURES

On December 1, 2009, Parkland issued $97,750 principal amount of 6.5% series 1 convertible unsecured subordinated debentures ("Series 1 Debentures"), at a price of $1 per debenture. Interest on the Series 1 Debentures is paid semi-annually in arrears, on November 30 and May 31 in each year commencing May 31, 2010. On December 21, 2010, Parkland issued $45,000 principal amount of 5.75% series 2 convertible unsecured subordinated debentures ("Series 2 Debentures"), at a price of $1 per debenture. Interest on the Series 2 Debentures is paid semi-annually in arrears, on June 30 and December 31 in each year commencing June 30, 2011. Collectively, the Series 1 Debentures and the Series 2 Debentures are referred to as the "Debentures". The Debentures are convertible at the option of the holder at any time into common shares of the Corporation at a conversion price of $14.60 per share for the Series 1 Debentures and $18.00 per share for the Series 2 Debentures.

The Series 1 Debentures mature on November 30, 2014 and the Series 2 Debentures mature on December 31, 2015 at which time the Debentures are due and payable. The Series 1 Debentures may be redeemed in whole or in part at the option of Parkland on or after November 30, 2012 and prior to November 30, 2013 and the Series 2 Debentures may be redeemed in whole or in part at the option of Parkland on or after December 31, 2013 and prior to December

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31, 2014, on not more than 60 days and not less than 30 days prior notice at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the current market price of the common shares of Parkland on the date immediately preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. The Debentures may be redeemed prior to their maturity dates in whole or in part at a price equal to their principal amount plus accrued and unpaid interest on or after November 30, 2013 for the Series 1 Debentures and on or after December 31, 2014 for the Series 2 Debentures.

Upon the maturity or redemption of the Debentures, Parkland may pay the outstanding principal of the Debentures in cash or may, at its option, on not greater than 60 days and not less than 40 days prior notice and subject to regulatory approval, elect to satisfy its obligations to repay all or a portion of the principal amount of the Debentures which have matured or been redeemed by issuing and delivering that number of common shares obtained by dividing the aggregate principal amount of the Debentures which have matured or redeemed by 95% of the weighted average trading price of the common shares of Parkland on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash.

The following table reconciles the principal amount, debt component and equity component of the Debentures.

	January 1, 2013 to September 30, 2013		January 1, 2012 to December 31, 2012	
	Principal Amount of Debentures	**Convertible Debenture Debt**	Principal Amount of Debentures	Convertible Debenture Debt
Series 1 Debentures				
Balance, beginning of period	**96,794**	**93,130**	97,750	92,166
Conversion to common shares	**(11,447)**	**(11,447)**	(956)	(956)
Change due to passage of time	**-**	**1,431**	-	1,920
Balance, end of period	**85,347**	**83,114**	96,794	93,130
Series 2 Debentures				
Balance, beginning of period	**44,975**	**43,777**	44,975	43,378
Change due to passage of time	**-**	**299**	-	399
Balance, end of period	**44,975**	**44,076**	44,975	43,777
Series 1 and Series 2 Debentures, end of period	**130,322**	**127,190**	141,769	136,907

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14. ASSET RETIREMENT OBLIGATIONS

	January 1, 2013 to September 30, 2013	January 1, 2012 to December 31, 2012
Asset retirement obligations, beginning of period	**30,293**	25,478
Additional provisions during the period	**4,021**	9,059
Amounts used during the period	**(1,105)**	(4,296)
Unused amounts reversed during the period	**(650)**	(1,097)
Change due to passage of time and discount rate	**(1,360)**	1,149
Asset retirement obligations, end of period	**31,199**	30,293

Parkland is liable for the environmental obligations related to the removal of its underground storage tanks at properties that it leases and owns. The asset retirement obligation represents the present value estimate of Parkland's cost to remove these tanks. The total undiscounted estimated future cash flows required to settle Parkland's obligation was $50,380 at September 30, 2013 (December 31, 2012 - $48,353). The costs are expected to be incurred between 2012 and 2046. At September 30, 2013, the discount rate used to determine the present value of the future costs was 4.56% (December 31, 2012 – 3.89%).

15. REFINERY AND TERMINAL REMEDIATION ACCRUAL

	January 1, 2013 to September 30, 2013	January 1, 2012 to December 31, 2012
Refinery and terminal remediation accrual, beginning of period	**13,957**	11,242
Additions during the period	**-**	1,742
Change due to passage of time and discount rate	**(864)**	973
Refinery and terminal remediation accrual, end of period	**13,093**	13,957

During the fourth quarter of 2012, Parkland completed the upgrade of the Bowden facility and placed into the service the equipment to be used as a railroad terminal for shipping products by rail and use of the tanks on site for storage.

Parkland has estimated the discounted cost of remediation on the basis that remediation would be part of a multi-year management plan. Remediation costs have been estimated using engineering studies conducted in December 2007 and updated by the Corporation’s management in 2012. The total undiscounted estimated future cash flows required to settle Parkland's obligation was $31,777 at September 30, 2013 (December 31, 2012 - $31,777). The costs are expected to be incurred between 2018 and 2041 (December 31, 2012 – 2018 to 2041). At September 30, 2013, the discount rate used to determine the present value of the future costs was 4.56% (December 31, 2012 – 3.89%).

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16. SHAREHOLDERS' CAPITAL

(a) Shareholders' Capital

Authorized capital of Parkland consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

	January 1, 2013 to September 30, 2013		January 1, 2012 to December 31, 2012	
	Number of Shares	**Amount**	Number of Shares	Amount
Shares				
Balance, beginning of period	**67,973**	**349,591**	64,354	300,981
Issued under dividend reinvestment plan	**2,205**	**36,824**	3,372	47,191
Issued on vesting of restricted shares	**22**	**-**	109	-
Issued under share option plan	**36**	**287**	73	463
Issued upon conversion of debentures	**784**	**11,447**	65	956
Balance, end of period	**71,020**	**398,149**	67,973	349,591

In January 2011, Parkland launched the Premium Dividend and Enhanced Dividend Reinvestment Plan as a means to incrementally raise equity capital for growth and other corporate purposes.

The Premium Dividend Plan provides eligible shareholders with a 2% cash premium on top of their regular cash dividend. Participants electing this option will receive a monthly payment of $0.0885 per share for dividend declared to shareholders of record on and after March 22, 2013. Prior to March 22, 2013, the participants received $0.0867 per share under this option. The Enhanced Dividend Reinvestment Plan allows shareholders to purchase additional shares with their dividend at a 5% discount to the volume weighted average price as defined by the plan. Those shareholders who do not elect to participate in the Premium Dividend and Enhanced Dividend Reinvestment Plan will still receive their regular monthly dividend of $0.0867 per share for dividend declared on and after March 22, 2013. Prior to March 22, 2013, the participants received $0.085 per share under this option.

(b) Share Option Plan

Parkland has a Share Option Plan under which Parkland may issue from treasury, together with any other compensation arrangement, an amount not to exceed 10% of the issued and outstanding common shares. The eligible participants are officers, employees or consultants of the Corporation. The exercise price shall be fixed by the Board of Directors at the time of grant; provided that the exercise price shall not be less than fair market value of the common shares. Each annual vesting tranche is considered a separate award with its own vesting period and grant date fair value. Fair value of each annual vesting tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

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Share options outstanding at September 30, 2013 have the following expiry date and exercise prices:

		Exercise price in $	Options	
Grant-vest	Expiry Date	per option	**2013**	2012
2004-7	Jan 2014	6.32	**15**	15
2004-7	Jan 2014	6.68	**-**	15
2005-8	Jan 2015	7.27	**15**	30
2011-12	May 2019	10.47	**29**	29
2011-12	May 2019	12.25	**133**	143
2011-13	May 2019	10.47	**29**	29
2011-13	May 2019	12.25	**133**	143
2011-14	May 2019	10.47	**29**	29
2011-14	May 2019	12.25	**135**	143
2012-13	May 2020	13.80	**137**	139
2012-14	May 2020	13.80	**137**	139
2012-15	May 2020	13.80	**137**	139
2013-14	March 2021	17.74	**42**	-
2013-15	March 2021	17.74	**41**	-
2013-16	March 2021	17.74	**42**	-
2013-14	May 2021	17.79	**216**	-
2013-15	May 2021	17.79	**217**	-
2013-16	May 2021	17.79	**216**	-
			1,700	991

The total compensation cost that has been included in marketing, general and administrative expenses for the three and nine month period ended September 30, 2013 amounted to $190 and $757, respectively (three and nine months ended September 30, 2012 - $138 and $301, respectively).

In 000's of Canadian Dollars, shares and options (except per share amount)

	January 1, 2013 to September 30, 2013		January 1, 2012 to December 31, 2012	
	Number of Options	**Average Exercise Price Per Option**	Number of Options	Average Exercise Price Per Option
Option shares, beginning of period	**991**	**$ 12.40**	676	$ 10.98
Granted	**774**	**17.78**	417	13.80
Exercised	**(36)**	**7.87**	(73)	6.36
Forfeited	**(29)**	**12.62**	(29)	12.25
Option shares, end of period	**1,700**	**$ 14.95**	991	$ 12.40
Exercisable options, end of period	**489**	**$ 12.14**	232	$ 10.64

Out of the 1,700 outstanding options (December 31, 2012 - 991 options), 489 options (December 31, 2012 - 232) were exercisable. Options exercised during the nine month period ended September 30, 2013 resulted in 36 (December 31, 2012 - 73) shares being issued at a weighted average price of $7.87 each (December 31, 2012 - $6.36 each). The related weighted average share price over the period of exercise was $17.66 (December 31, 2012 - $15.40) per share.

The weighted average fair value of options granted during the nine month period ended September 30, 2013, using the Black-Scholes valuation model was $1.75 (December 31, 2012 - $1.46) per option. The significant inputs into the model were weighted average share price of $17.78 (December 31, 2012 - $13.80) at the grant date, exercise price of $17.78 (December 31, 2012 - $13.80), volatility of 27.1% (December 31, 2012 – 26.3%), dividend yield of 5.85% (December 31, 2012 – 7.39%), an expected option life of eight years and an annual risk-free interest rate of 1.15% (December 31, 2012 – 1.37%). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last two years.

(c) Restricted Share Unit Plan

Parkland awards certain directors, officers, employees and consultants restricted share units ("RSU's) at no cost, and the restricted share units are expensed uniformly over their vesting period. The fair market value of the award is based on the volume weighted average trading price for the shares on the Toronto stock exchange for the five trading days immediately preceding the date of the grant.

Under the Restricted Share Unit Plan the units granted in 2009 and 2010 vest over a three year period. For grants prior to 2011, the restricted share units vesting is typically subject to entity performance criteria, including maintenance of the annual fund distribution target. For restricted share units granted on or after January 1, 2011, restricted share units are earned over a three year period with vesting at the third anniversary of the grant. The number of shares earned can range from 0 to 200% of the grant amount based on entity performance criteria, specifically

In 000’s of Canadian Dollars, shares and options (except per share amount)

Total Shareholder Return (“TSR”) ranking versus a specified peer group of companies. In May 2012, the Restricted Share Unit Plan was amended to award participants with additional RSUs upon each dividend payment made by the Corporation.

	January 1, 2013 to September 30, 2013			January 1, 2012 to December 31, 2012		
	Number of RSU's		**Weighted Average Share Price**	Number of RSU's		Weighted Average Share Price
Restricted shares, beginning of period	**336**	**$**	**13.14**	314	$	10.41
Granted	**152**		**17.79**	167		13.80
Dividend equivalents	**9**		**16.13**	-		-
Issued on vesting	**(45)**		**13.18**	(111)		10.79
Forfeited	**-**		**-**	(34)		12.99
Restricted shares, end of period	**452**	**$**	**14.73**	336	$	13.14

The total compensation cost that has been included in marketing, general and administrative expenses for the three and nine month period ended September 30, 2013 amounted to $636 and $1,768 respectively (three and nine months ended September 30, 2012 - $450 and $1,032 respectively).

(d) Deferred Share Unit Plan

Parkland established the deferred share units (“DSUs”) plan for non-executive members of the Board of Directors as a long-term incentive plan. Under this plan, each director is entitled to receive DSUs as a result of a grant and/or in lieu of directors’ fees. Furthermore, directors receive additional DSUs upon each dividend payment made by the Corporation. The fair value of the DSUs on the grant day is based on the weighted average trading price of the shares on the Toronto stock exchange for the five trading days immediately preceding the date of the grant. DSUs vest immediately on the day of the grant and they are redeemed for cash when the director ceases to be a member of the Board of Directors. Compensation expense is recognized in the marketing, general and administrative expense immediately upon the vesting of DSUs.

The Corporation has recorded a liability of $2,130 at September 30, 2013 (December 31, 2012 - $1,208) in the Consolidated Balance Sheets for DSUs based on the market value of Parkland’s common shares as September 30, 2013. The total compensation costs that have been included marketing, general and administrative expenses for the three and nine month period ended September 30, 2013 amounted to $167 and $922 respectively (three and nine months ended September 30, 2012 - $65 and $525 respectively).

In 000’s of Canadian Dollars, shares and options (except per share amount)

	January 1, 2013 to September 30, 2013	January 1, 2012 to December 31, 2012
	Number of DSU's	Number of DSU's
Deferred Share Units, beginning of period	**87**	46
Granted	**26**	40
Dividends equivalent	**5**	6
Redeemed	**-**	(5)
Deferred Share Units, end of period	**118**	87

17. FINANCE COSTS

	Three months ended September 30,		**Nine months ended September 30,**	
	2013	2012	**2013**	2012
Accretion on refinery remediation	**136**	(67)	**408**	358
Accretion on asset retirement obligation	**89**	(690)	**239**	167
Interest on long-term debt	**1,655**	2,124	**5,438**	6,691
Interest and accretion on convertible debentures	**2,634**	2,663	**7,912**	8,274
(Gain) loss on interest rate swap	**(89)**	560	**12**	560
Total finance costs, end of period	**4,425**	4,590	**14,009**	16,050

18. CAPITAL MANAGEMENT

Parkland's capital structure is comprised of bank indebtedness, long-term debt including current portion, current portion of other long-term liabilities, convertible debentures and shareholders’ equity, less cash and cash equivalents and restricted cash. Parkland's objectives when managing its capital structure are to:

I. maintain financial flexibility so as to preserve the Corporation's access to capital markets and its ability to meet its financial obligations; and
II. finance internally generated growth as well as potential acquisitions.

Parkland monitors its capital structure and financing requirements using non-GAAP financial metrics consisting of Net Debt to Capitalization and Net Debt to Adjusted EBITDA which is defined as earnings before interest, taxes, depreciation and amortization, gain (loss) on disposal of property, plant and equipment, acquisition related costs, unrealized (gain) loss from the change in fair value of commodities forward contracts and US dollar forward exchange contracts included in risk management activities and unrealized gain (loss) from foreign exchange. The metrics are used to monitor and guide the Corporation's overall financial strength and flexibility of capital structure.

In 000's of Canadian Dollars, shares and options (except per share amount)

Parkland currently targets a Net Debt to Capitalization ratio of below 50% on a long-term basis. This target may be exceeded if strategic acquisitions are available. At September 30, 2013, the Net Debt to Capitalization ratio was 42% (December 31, 2012 - 44%), calculated as follows:

	September 30, 2013	December 31, 2012
Bank Indebtedness	9,647	-
Long-term debt (including current portion), current portion of long-term liabilities and convertible debentures	297,723	291,603
Cash and cash equivalents	(6,463)	(14,676)
Net Debt	300,907	276,927
Shareholders' equity	419,326	352,733
Capitalization	720,233	629,660
Net Debt to Capitalization	42%	44%

Parkland currently targets a Net Debt to Adjusted EBITDA ratio of less than 3.0 times (3.0 times - December 31, 2012). This target may be exceeded if strategic acquisitions are available. Adjusted EBITDA from acquisitions is not included for periods prior to acquisition in the following trailing twelve-month Adjusted EBITDA calculation. At September 30, 2013 the debt to Adjusted EBITDA ratio was 1.51 times (December 31, 2012 – 1.38 times) calculated on a trailing twelve-month basis as follows:

	September 30, 2013	December 31, 2012
Net Debt	**300,907**	276,927
Net earnings	**79,502**	84,854
Add		
Finance costs (1)	**18,207**	20,239
(Gain) loss on disposal of property, plant and equipment	**1,850**	282
Unrealized (gain) loss from the change in fair value of commodities forward contracts and US dollar forward exchange contracts	**(662)**	-
Depreciation and amortization	**58,365**	54,689
Income tax expense	**36,575**	38,917
Acquisition related costs	**5,353**	1,360
Unrealized gain (loss) from foreign exchange	**159**	23
Adjusted EBITDA (2)	**199,349**	**200,364**
Net Debt to Adjusted EBITDA	**1.51**	1.38

(1) Includes realized and unrealized (gain) loss on the interest rate swap
(2) Includes the realized and unrealized (gain) loss on put options

The Corporation manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving objectives stated above. To manage the capital structure, Parkland may adjust capital spending, adjust dividends paid to shareholders, issue new equity, issue new debt or repay existing debt.

In 000’s of Canadian Dollars, shares and options (except per share amount)

19. ACQUISITIONS

(a) Elbow River Marketing

On February 15, 2013, Parkland acquired the assets and liabilities of Elbow River Marketing Limited Partnership (“Elbow River Marketing”), a business specializing the transportation, supply and marketing of petroleum products including liquefied petroleum gases (butane, propane and condensate), crude oil, heavy fuel oil, and a growing portfolio of refined fuel and bio-fuel products, for total consideration of $84,594. The purchase priced included $80,000 paid in cash and the assumption of bank indebtedness of $4,594. The acquisition of Elbow River Marketing diversifies Parkland’s earnings and further differentiates Parkland from other Canadian fuel marketers. Given the recent timing of the transaction Parkland is still assessing the fair value of the net assets acquired. As a result these amounts are subject to change. The transaction was an asset purchase and has been accounted for using the acquisition method.

The preliminary fair value of Elbow River Marketing net assets acquired is as follows:

	September 30, 2013
Estimated fair value of net assets acquired:	
Intangible asset - customer relationships	31,050
Intangible asset - non-compete agreement	2,100
Intangible asset - trade names	3,450
Fair value of rail car leases	1,550
Property, plant and equipment	2,535
Goodwill	35,900
Capital lease obligations	(71)
Risk management - net	(5,285)
Bank indebtedness	(4,594)
Other long-term liabilities	(4,509)
Working capital	17,874
	80,000
Consideration:	
Cash paid to vendor	80,000
Bank indebtedness assumed	4,594
Cash consideration	84,594

The goodwill of $35,900 which arose from the acquisition was attributable to the anticipated future earnings of Elbow River Marketing and purchasing synergies now available to Parkland. The total amount of goodwill recognized is expected to be deductible for income tax purposes.

Trade and other receivables acquired in the transaction have a fair value of $90,364 that equal their gross contractual value and expected cash flow at the acquistion date.

Trade and other payables acquired in the transaction have a fair value of $102,993 that equal their gross contractual value and expected cash outflow at the acquisition date.

In 000's of Canadian Dollars, shares and options (except per share amount)

Since the date of acquisition, revenue of $684,875 and net earnings of $11,286 are included in the September 30, 2013 consolidated statement of comprehensive income.

(b) Sparling's Propane

On April 2, 2013, Parkland acquired all of the outstanding shares of Sparling's Propane Co. Limited, G.S.D. Sparling Holdings Ltd. Sparling's Propane Tank Co Ltd. Grand River Propane Inc. and Sparling's Propane Inc. (collectively "Sparling's Propane") for cash consideration of $32,388. The acquisition is expected to leverage the propane supply options achieved through Elbow River Marketing and its exisitng business platform will be utilized to grow Parkland's propane business across Canada. Given the recent timing of the transaction Parkland is still assessing the fair value of the net assets acquired. As a result these amounts are subject to change. The transaction has been accounted for using the acquisition method.

The preliminary fair value of Sparling's net assets acquired is as follows:

	September 30, 2013
Estimated fair value of net assets acquired:	
Intangible asset - customer relationships	1,387
Intangible asset - non-compete agreement	175
Intangible asset - trade names	2,379
Property, plant and equipment	28,587
Goodwill	5,284
Deferred Tax Liability	(5,284)
Capital lease obligation	(1,128)
Working capital	1,807
	33,207
Consideration:	
Cash paid to vendor	33,207
Cash assumed	(819)
Cash consideration	32,388

The goodwill of $5,284, which arose from the acquisition was attributable to the anticipated future revenue from the potential expansion of Parkland's propane business and increased market presence in Eastern Canada. The total amount of goodwill recognized is not deductible for income tax purposes.

Trade and other receivables acquired in the transaction have a fair value of $7,136 that equal their gross contractual value and expected cash flow at the acquistion date.

Trade and other payables acquired in the transaction have a fair value of $6,405 that equal their gross contractual value and expected cash outflow at the acquisition date.

Since the date of acquisition, revenue of $20,687 and net loss of $1,257 are included in the September 30, 2013 consolidated statement of comprehensive income.

In 000's of Canadian Dollars, shares and options (except per share amount)

(c) TransMontaigne

On May 13, 2013, Parkland entered into agreements to become Morgan Stanley's fuel marketer for the province of Quebec, to assume customers and assets of TransMontaigne Marketing Canada Inc. ("TransMontaigne"), to lease terminal storage through CanTerm Canadian Terminals Inc. and to purchase inventory from Morgan Stanley Capital Group Inc., for total cash consideration of $11,065. This agreement is expected to provide a new supply platform for growth in the Province of Quebec and add to Parkland's strategic supply infrastructure portfolio. Given the recent timing of the transaction Parkland is still assessing the fair value of the net assets acquired. As a result these amounts are subject to change. The transaction was an asset purchase and has been accounted for using the acquisition method.

The preliminary fair value of TransMontaigne net assets acquired is as follows:

	September 30, 2013
Estimated fair value of net assets acquired:	
Intangible asset - customer relationships	1
Property, plant and equipment	488
Goodwill	12
Working capital	50,115
	50,616
Consideration:	
Accounts payable	39,551
Cash paid to vendor	11,065
	50,616
Liabilities settled	(39,551)
Cash consideration	11,065

The goodwill of $12, which arose from the acquisition was attributable to the anticipated future earnings of TransMontaigne and increased market presence in Quebec for Parkland. The total amount of goodwill recognized is expected to be deductible for income tax purposes.

Trade and other receivables acquired in the transaction have a fair value of $39,596 that Parkland agreed to collect on behalf of TransMontaigne. Subsequent to the acquisition, Parkland collected $39,551 and settled the liability with TransMontaigne for the same amount.

Since the date of acquisition, revenue of $265,302 and a net loss of $77 are included in the September 30, 2013 consolidated statement of comprehensive income.

(d) R-Gas and Scotsburn

On May 1st 2013, Parkland announced the acquisition of Scotsburn Co-operative Services Limited ("Scotsburn") net assets for cash consideration of $1,322. Additionally on April 30th, 2013 Parkland acquired the net assets of R-Gas Propane Supply Corporation ("R-Gas") for cash consideration of $1,067. These acquisitions are expected to add over three million litres of diesel fuel and furnace oil sales to Parkland and increase market presence in the Ontario propane market. Given the recent timing of these transactions Parkland is still assessing the fair value of the net assets acquired. As a result these amounts are subject to change. These transactions were asset purchases and have been accounted for using the acquisition method.

In 000's of Canadian Dollars, shares and options (except per share amount)

The combined preliminary fair value of R-Gas and Scotsburn's net assets acquired are as follows:

	September 30, 2013
Estimated fair value of net assets acquired:	
Intangible asset - customer relationships	673
Property, plant and equipment	991
Goodwill	159
Working capital	567
	2,390
Consideration:	
Cash paid to vendor	2,390
Cash consideration	2,390

The goodwill of $159 which arose from the acquisitions was attributable to the anticipated future revenue from expanded customer base, synergies from combining offices and increased market presence in Eastern Canada. The total amount of goodwill recognized is expected to be deductible for income tax purposes.

Trade and other receivables acquired in the transactions have a fair value of $537 that equal their gross contractual value and expected cash flow at the acquistion date.

No trade or other payables were acquired in these transactions.

Since the date of acquisitions, combined revenue of $2,082 and net earnings of $122 are included in the September 30, 2013 consolidated statement of comprehensive income.

Had Parkland acquired and consolidated the above mentioned acquisitions in notes 19(a) through 19 (d) on January 1, 2013, the consolidated statement of comprehensive income would include revenue of $1,559,131 and a net earnings of $13,802 for the nine month period ended September 30, 2013. This pro-forma financial information is not necessarily indicitive of the financial position or results of operations that would have resulted had the relevant transactions taken place at the beginning of the year.

In 000's of Canadian Dollars, shares and options (except per share amount)

20. COMMITMENTS

The Corporation has purchase commitments under its fuel supply contracts that require the purchase of approximately 250 million litres of fuel products to the end of 2013.

21. NET CHANGES IN NON-CASH WORKING CAPITAL

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Accounts receivable	**(15,849)**	294	**46,141**	10,593
Inventories	**(13,664)**	(9,110)	**(3,218)**	7,595
Income taxes receivable	**(659)**	-	**(659)**	-
Prepaid expenses and other	**(4,522)**	2,952	**920**	(1,419)
Accounts payable and accrued liabilities	**(25,494)**	4,668	**5,302**	57,616
Income tax payable	**(4,011)**	3,918	**(20,782)**	(3,193)
Deferred revenue	**(1,632)**	215	**(8,342)**	(3,933)
Total net changes in non-cash working capital	**(65,831)**	2,937	**19,362**	67,259

22. SEGMENTED INFORMATION

Parkland is an independent marketer and distributor of refined fuels, crude oil, natural gas and other related products. The corporation operates in three reportable segments, fuel and petroleum products, non-fuel commercial products and other non-fuel products. These segments are defined as follows:

Fuel and petroleum products includes sales of gasoline, diesel, home heating oil, propane fuel, natural gas liquids, crude oil, heavy oil products, realized gain/loss on commodities forward contracts and US dollar forward exchange contracts.

Non-fuel commercial includes sales of fertilizer, lubricants, various parts and commercial cartage charges.

Other non-fuel includes convenience store sales and cartage charges to retail dealers and Elbow River Marketing customers.

Due to the amount of common operating and property costs, it is not practical to report these segments below their respective adjusted gross profits. The segregation of capital expenditures and total assets is not practical as the reportable segments represent product sales that are generated from common locations.

In 000's of Canadian Dollars, shares and options (except per share amount)

Three months ended September 30,	Crude Oil and Refined Products	Non-Fuel Commercial	Other Non-Fuel	Total
2013				
Sales and operating revenue	**1,438,925**	**57,579**	**12,536**	**1,509,040**
Cost of sales	**(1,347,606)**	**(42,535)**	**(6,139)**	**(1,396,280)**
Realized loss on risk management activities (1)	**(7,074)**			**(7,074)**
Realized loss on foreign exchange	**(282)**	**-**	**-**	**(282)**
Adjusted gross profit (1)	**83,963**	**15,044**	**6,397**	**105,404**
2012				
Sales and operating revenue	993,910	55,038	10,591	1,059,539
Cost of sales	(901,154)	(39,867)	(6,045)	(947,066)
Realized gain on foreign exchange	45	-	-	45
Adjusted gross profit (1)	92,801	15,171	4,546	112,518

(1) This category includes realized gains/losses on commodities forward contracts and US dollar forward exchange contracts.

Nine months ended September 30,	Crude Oil and Refined Products	Non-Fuel Commercial	Other Non-Fuel	Total
2013				
Sales and operating revenue	**3,842,920**	**187,622**	**34,019**	**4,064,561**
Cost of sales	**(3,537,109)**	**(142,917)**	**(15,273)**	**(3,695,299)**
Realized loss on risk management activities (1)	**(12,139)**	**-**	**-**	**(12,139)**
Realized gain on foreign exchange	**948**	**-**	**-**	**948**
Adjusted gross profit (1)	**294,620**	**44,705**	**18,746**	**358,071**
2012				
Sales and operating revenue	2,920,467	186,460	28,302	3,135,229
Cost of sales	(2,648,707)	(137,301)	(16,177)	(2,802,185)
Realized gain on foreign exchange	118	-	-	118
Adjusted gross profit (1)	271,878	49,159	12,125	333,162

(1) This category includes realized gains/losses on commodities forward contracts and US dollar forward exchange contracts.

23. RELATED PARTY TRANSACTIONS

Parkland receives legal services from Bennett Jones LLP where a director of the Corporation is a partner. The fees paid during the nine months ended September 30, 2013 amounted to $1,972 (September 30, 2012 - $480) including $54 (December 31, 2012 - $293) in amounts payable at September 30, 2013.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The exchange amounts represent normal commercial terms.

24. SEASONALITY

Parkland's retail fuels and supply and wholesale operations typically experience higher volumes and refiners' margins during the second and third quarters of the year, driven by higher consumer purchases during the summer months. The commercial fuels and wholesale fuels operations experience higher volumes during the first and fourth quarters of the year, due to higher heating fuel and propane demand during the colder months.

25. CONTINGENCIES

The Corporation is involved in various legal claims and legal notices arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on Parkland's financial position, results of operations, or cash flows. Any amounts awarded as a result of these actions will be reflected when known.

26. SUBSEQUENT EVENTS

SPF Energy Inc.

On November 7, 2013 Parkland entered into a definitive agreement to acquire all outstanding shares of SPF Energy Inc. ("SPF") located in North Dakota, USA. Subject to satisfaction of the closing conditions and the receipt of all necessary third party and regulatory consents and approvals, the outstanding shares will be purchased for the total consideration of approximately $110 million, consisting of approximately $89 million cash and approximately $21 million in common shares of Parkland. The acquisition is expected to close and be effective January 1, 2014. The Corporation is in the process of assessing the purchase price allocation. SPF supplies and distributes approximately 1.1 billion litres (300 million gallons) of refined petroleum products through North Dakota, Montana, Minnesota, South Dakota and Wyoming. This acquisition will provide Parkland with an expandable platform for growth in the Northwest United States and export opportunities for excess refined product in Western Canada. In addition, it will enhance supply capabilities leveraging Elbow River Marketing rail assets.

27. COMPARATIVE FIGURES

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

Supplementary Information (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Volume (millions of litres)				
Retail Fuels	**477**	491	**1,315**	1,364
Commercial Fuels	**349**	343	**1,094**	1,120
Supply & Wholesale (1)	**1,042**	356	**2,597**	984
Intersegment sales	**(106)**	(99)	**(264)**	(289)
Total fuel and petroleum products volume	**1,762**	1,091	**4,742**	3,179

(1) Includes Elbow River Marketing volumes of 491 million litres and 1,315 million litres for the three and nine months ended September 30, 2013

Net sales and operating revenue (millions of Canadian dollars)				
Fuel and petroleum products revenue				
Retail Fuels	461.4	468.2	**1,249.0**	1,286.0
Commercial Fuels	319.4	305.0	**1,002.6**	1,032.5
Supply & Wholesale (2)	732.7	307.9	**1,786.0**	856.6
Intersegment	(74.6)	(87.2)	**(194.7)**	(254.6)
Total fuel and petroleum products revenue	1,438.9	993.9	**3,842.9**	2,920.5
Non-fuel commercial revenue	**57.6**	55.0	**187.6**	186.5
Other non-fuel revenue (4)	**12.5**	10.7	**34.0**	29.3
Intersegment	**-**	(0.1)	**-**	(1.0)
Total non-fuel revenue	**12.5**	10.6	34.0	28.3
Total sales and operating revenue	**1,509.0**	1,059.5	**4,064.5**	3,135.3

(2) Includes Elbow River Marketing revenue of $255.7 million and $682.5 million for the three and nine months ended September 30, 2013

Gross profit (millions of Canadian dollars)				
Fuel and petroleum products adjusted gross profit				
Retail Fuels	**23.8**	21.5	**62.6**	65.0
Commercial Fuels	**27.7**	29.3	**107.3**	107.0
Supply & Wholesale (3)(5)	**32.5**	42.0	**124.7**	99.8
Total fuel and petroleum products adjusted gross profit (3)(5)	**84.0**	92.8	**294.6**	271.8
Cents per litre	**4.8**	8.5	**6.2**	8.5

(3) Includes Elbow River Marketing gross profit of $16.4 million and $43.0 million for the three and nine months ended September 30, 2013

Fuel and petroleum products adjusted gross profit (3)(5)	**84.0**	92.8	**294.6**	271.8
Non-fuel commercial adjusted gross profit	**15.0**	15.2	**44.7**	49.2
Other non-fuel adjusted gross profit (4)	**6.4**	4.5	**18.8**	12.1
Total adjusted gross profit (3)(5)	**105.4**	112.5	**358.1**	333.1

(4) This category includes convenience store sales, variable rents, trucking, rail and other delivery charges to customers, and other.
(5) This category includes Parkland's share of refinery margins and profits from wholesale sales and realized gains (losses) on commodities forward contracts and US dollar forward exchange contracts.