FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

Parkland Income Fund
Suite 236, Riverside Office Plaza
4919 – 59th Street
Red Deer, Alberta
T4N 6C9

2. **Date of Material Change:**

December 21, 2006.

3. **News Release:**

A news release was distributed on December 21, 2006 and disseminated through the facilities of CNW Group and filed on SEDAR.

4. **Summary of Material Change:**

Parkland Income Fund ("Parkland" or the "Fund") announced that it entered into a share purchase agreement to indirectly acquire all of the issued and outstanding shares of Neufeld Petroleum and Propane Ltd. and Neufeld Holdings Ltd. (together "Neufeld"), a fuel, propane and agricultural inputs supplier in Western Canada. Closing of the acquisition is expected on or about January 22, 2007, with an effective date of November 1, 2006.

5. **Full Description of the Material Change:**

Parkland announced that it entered into a share purchase agreement to indirectly acquire all of the issued and outstanding shares of Neufeld, a fuel, propane and agricultural inputs supplier in Western Canada. Closing of the acquisition is expected on or about January 22, 2007, with an effective date of November 1, 2006.

Headquartered in Grande Prairie, Alberta, Neufeld is privately held and operates in 13 locations in northern Alberta, northeast British Columbia and the Northwest Territories. Neufeld is primarily engaged in the distribution of fuel, propane, agricultural inputs (fertilizers, farm chemicals, etc.) and industrial products (lubricants, frac oils, etc.) to commercial customers in its service areas. Neufeld also services residential customers for home heating needs.

Neufeld, established in 1971, has a strong reputation in the markets it serves with a diversified customer base, servicing over 6,600 customers with no single customer representing over 1% of sales. In the last twelve months ended August 31, 2006, Neufeld generated total revenues and normalized earnings before interest, depreciation and amortization ("Normalized EBITDA") of approximately $221 million and $21 million, respectively.

The purchase price for Neufeld is expected to be approximately $135 million, subject to closing adjustments relating to working capital and the after-tax earnings from the effective date to the closing date. The consideration to be paid will consist of approximately 1.6 million LP units of Parkland Holdings Limited Partnership (which are exchangeable into trust units of Parkland on a one-for-one basis) and the remainder in the form of cash or assumed debt. The LP units will be subject to escrow provisions under which one third of the units will be released in each of 2008, 2009 and 2010. On a pro-forma basis the vendor's LP units (assuming the exchange thereof into trust units of Parkland) will represent approximately 11.4% of Parkland's trust units outstanding. Parkland will fund the cash component of the acquisition with Parkland's cash balance and debt financing from a Canadian chartered bank with a potential public offering to follow. The transaction is subject to normal commercial closing conditions. The acquisition constitutes "normal growth" under the Department of Finance guidelines, meaning the Fund will maintain its current tax status.

Benefits of the Proposed Acquisition

The transaction is expected to be immediately accretive to the Fund's distributable income per trust unit. As such, Parkland expects to increase its monthly cash distribution per unit by $0.02 following completion of the acquisition.

Historic Results for the Neufeld Companies

	For the year ended August 31	
in C$ millions	**2005**	**2006**
Revenue	152.3	221.0
Expenses	138.0	200.5
EBITDA	14.3	20.5

Based on financial statements of Neufeld companies for the years ended August 31, 2005 and 2006 with 2006 EBITDA normalized for non-recurring expense.

EBITDA is not a defined measure under Canadian Generally Accepted Accounting Principles (GAAP). In this document, EBITDA means earnings before Interest Expense, Income Taxes, Depreciation and Amortization. Parkland's definition of EBITDA may not be consistent with other issuers of financial information.

Neufeld's businesses are expected to provide the following benefits to Parkland:

- Diversifies Parkland's existing business to include fuel, propane, industrial chemicals and agricultural inputs distribution to the oilfield services, forestry and agricultural sectors. Cartage also becomes a more significant component of the revenue stream.

- Decreases seasonality of Parkland's cash flow as Neufeld's operations are seasonally strong during the fall and winter months (October to March) while Parkland's operations are strong during the spring and summer driving seasons.

- Adds scale to Parkland's fuel products, offering potential for greater purchasing power and cost savings.

- Expands Parkland's fuel distribution capabilities and trucking fleet.

- Low maintenance capital of approximately $3 million in Neufeld's 2006 fiscal year and beyond.

- Provides opportunities to cross sell Parkland's products and services to Neufeld's customers and vice versa.

- Expands Parkland's businesses into commercial customers in rural areas of similar geography.

- Cost savings are expected from improvement in trucking fleet utilization.

- Strong operating management team which will continue to manage and operate the business.

This transaction is subject to the parties obtaining certain regulatory approvals, including that of the Toronto Stock Exchange (TSX) and customary closing conditions.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

7. **Omitted Information:**

None.

8. **Executive Officer:**

Michael W. Chorlton, President and Chief Executive Officer of Parkland Industries Ltd., the administrator of Parkland Income Fund, is knowledgeable about the material change and may be reached at (403) 357-6400.

9. **Date of Report:**

Dated this 28th day of December, 2006.