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:**

   January 24, 2007

3. **News Release:**

   A news release was distributed on January 24, 2007 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 has closed both its previously announced acquisition (the "Acquisition") of all of the issued and outstanding shares of Neufeld Petroleum & Propane Ltd. and Neufeld Holdings Ltd. (together, "Neufeld Petroleum") and its bought deal equity offering of 1,360,000 trust units (the "Offering").

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

   Parkland announced that it has closed both its previously announced Acquisition of all of the issued and outstanding shares of Neufeld Petroleum and the Offering. Pursuant to the Offering, 1,360,000 trust units were issued at a price of $36.75 per trust unit for gross proceeds of approximately $50 million. The net proceeds from the Offering were used to fund a portion of the purchase price of the Acquisition and to repay outstanding indebtedness. The purchasers of trust units under the Offering are entitled to a regular monthly distribution of $0.24 per trust unit, payable on February 15, 2007 to unitholders of record on January 31, 2007. Parkland has granted to the underwriters an option to purchase up to an additional 204,000 trust units at the offering price for a period expiring 30 days following the closing to cover over-allotments, if any, and for market stabilization purposes.

   The purchase price for Neufeld Petroleum was approximately $138 million. The consideration consisted of 1,565,694 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 and assumed debt. The LP units are 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) represent approximately 9.9% of Parkland's trust units outstanding. Parkland funded the cash component of the Acquisition with Parkland's cash balance and the proceeds from the Offering. The Acquisition constitutes "normal growth" under the Department of Finance guidelines, meaning the Fund will maintain its current tax status.

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.

Set forth below is a reconciliation of earnings before interest, taxes, depreciation and amortization ("EBITDA") and Normalized EBITDA (as defined under "Non-GAAP Measures" below) to *pro forma* net earnings for Neufeld Petroleum for the years ended August 31, 2006 and 2005.

NEUFELD PETROLEUM
RECONCILIATION OF EBITDA AND NORMALIZED EBITDA
TO EARNINGS (UNAUDITED)
For the years ended August 31, 2006 and 2005

($000's)	**Notes**		**2006**		**2005**
Net (loss) earnings		$	6,100	$	(1,092)
Add back:					
Income taxes			2,424		66
Amortization			5,574		4,577
Interest expense			1,675		1,161
Management bonus	2		4,383		10,037
Loss of sale of capital assets			44		7
Loss on investments	3		115		–
			14,215		15,848
Deduct:					
Bad debt recovery	4		581		341
Management fee	3		979		–
Gain on sale of capital assets			933		126
			2,493		467
Adjusted EBITDA			17,822		14,289
Normalization adjustments					
Normal management compensation	2		(250)		(250)
Repairs and maintenance above normal run rate	5		2,894		–
Normalized EBITDA		$	20,466	$	14,039

Notes:

(1) The financial statements of Neufeld Holdings Ltd. were prepared in accordance with GAAP using differential reporting options to account for investments. Parkland has not acquired these investments.

(2) The owners of Neufeld Petroleum have typically taken no compensation during the year and then declared bonuses at year end. An exception was made for 2006. These bonuses will not be part of ongoing operations. In their place Parkland has deducted a normalized amount of $250,000 which is in line with Parkland's compensation system.

(3) Neufeld Holdings Ltd. held various investments not related to its core business. A loss related to these investments was recorded in 2006 and in addition, certain of the investments yielded management fees in 2006. Parkland has not acquired these investments and therefore they were transferred to the vendors concurrent with closing of the Acquisition. There will be no continuing income or expense of this nature following completion of the Acquisition.

(4) For 2006 Neufeld Petroleum recorded significant recoveries of bad debts. These are not expected to recur in the normal course of operations.

(5) During the course of Parkland's due diligence it was noted that the repairs and maintenance expenses were higher than in prior years. The increase in 2006 had been a planned program, now complete, and the adjusted numbers would represent an expected run rate for the future.

Non-GAAP Measures

References to "Normalized EBITDA" in this Material Change Report in respect of Neufeld Petroleum are to EBITDA adjusted for bad debt recovery, management bonus, loss on investments, management fees, unusual levels of repairs and maintenance expenses and gains (losses) on the sale of capital assets during the relevant periods, none of which are expected to recur on a material basis. Parkland believes that these adjustments provide a better comparison of historical results and that, in addition to net earnings or loss, EBITDA and Normalized EBITDA are useful supplemental measures in evaluating the performance of Parkland and Neufeld Petroleum.

EBITDA and Normalized EBITDA are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors should be cautioned that EBITDA and Normalized EBITDA should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the performance of Parkland, or cash flows from operating, investing and financing activities as a measure of the liquidity and cash flows of Parkland. The methods used by Parkland of calculating EBITDA and Normalized EBITDA may differ from the methods used by other issuers. Therefore, EBITDA and Normalized EBITDA presented herein may not be comparable to similar measures presented by other issuers.

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 1st day of February, 2007.