



NEWS RELEASE: via The Canadian Custom Disclosure Network and SEDAR

FOR IMMEDIATE RELEASE

AutoCanada Income Fund Files Preliminary Prospectus for Initial Public Offering

EDMONTON, AB, March 31, 2006/CNW/ AutoCanada Income Fund (the "Fund") today announced it has filed a preliminary prospectus with securities regulatory authorities in each of the provinces in Canada, in relation to a proposed offering of units of the Fund (the "Offering").

Units of the Fund will be offered by a syndicate of Canadian underwriters led by RBC Capital Markets and Scotia Capital Inc. and including BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Raymond James Ltd. The Offering is subject to the Fund filing and obtaining a receipt for a final prospectus from the securities regulatory authorities in Canada and other regulatory approval. Final terms of the Offering will be determined at the time of pricing.

The net proceeds of the Offering will be used to acquire an approximate 50% interest in the assets and business of Canada One Auto Group ("Canada One") of Edmonton, Alberta. Canada One owns 14 franchised automobile dealerships in six provinces of Canada. In 2005, it sold approximately 19,000 vehicles under the brand names Chrysler, Dodge, Jeep, Hyundai and Subaru, and processed approximately 204,000 service and collision repair orders in its 223 service bays. On a pro forma basis, AutoCanada's 2005 sales totalled approximately \$628 million. AutoCanada intends to continue Canada One's growth strategy, principally through the acquisition of additional franchised automobile dealerships and by opening new franchised automobile dealerships.

A copy of the preliminary prospectus may be obtained on SEDAR at www.sedar.com or by contacting RBC Dominion Securities Inc., 666 Burrard St., Suite 2100, Vancouver, BC, V6C 3B1 or Royal Bank Plaza, P.O. Box 50, 200 Bay St., Toronto, ON, M5J 2W7 or Scotia Capital Inc., 650 West Georgia St., Suite 1800, P.O. Box 11640, Vancouver, BC, V6B 4N9 or Scotia Plaza, 65th Floor, 40 King St. West, Box 4085, Stn. A, Toronto, ON, M5W 2X6.

These securities have not been, and will not be registered under the *United States Securities Act* of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

This news release may contain forward-looking information with respect to AutoCanada's operations. Actual results may differ from these forward-looking statements due to numerous factors, including risks related to the retail automotive industry, Canada One's business and its acquisition strategy. These risks include a decreased overall consumer demand, substantial competition, unfavourable conditions in local markets and a dependence on automobile

manufacturers. These and other factors are outlined in AutoCanada's regulatory filings with the Canadian securities regulatory authorities.

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