

AUTOCANADA INCOME FUND

Announces the Approval of Plan of Arrangement and Receipt of Final Court Order

Edmonton, Alberta (December 18, 2009) AutoCanada Income Fund (“AutoCanada”) (TSX:ACQ.UN) is pleased to announce that its previously announced conversion to a corporation (the “Reorganization”) pursuant to a plan of arrangement transaction under the *Business Corporations Act* (Alberta) was approved on December 17, 2009 at the special meeting of unitholders of the Trust and holders of exchangeable partnership units of AutoCanada Limited Partnership. The Alberta Court of Queen’s Bench has also granted the final Order required in connection with the Reorganization. Subject to the satisfaction of standard closing conditions, the Reorganization is expected to be effective on December 31, 2009.

Upon reorganization becoming effective, the Trust will have converted to a corporation known as “AutoCanada Inc.”, the common shares of which will trade on the TSX under the symbol “ACQ”.

About AutoCanada

AutoCanada is Canada’s only publicly traded entity with interests exclusively in the operation of franchised automobile dealerships. Through its 53% interest in AutoCanada LP, it presently owns or manages 22 franchised automobile dealerships in six provinces and has over 1,100 employees. Through its owned and managed dealerships, it currently sells Chrysler, Dodge, Jeep®, Infiniti, Nissan, Hyundai, Subaru, Volkswagen and Mitsubishi branded vehicles. In 2008, its owned and managed dealerships sold approximately 23,700 vehicles, processed approximately 277,300 service and collision repair orders in 284 service bays, and generated revenue of approximately \$827 million.

Additional information about AutoCanada Income Fund is available at www.sedar.com and the Fund’s website at www.autocan.ca.

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Forward Looking Statements

Certain statements contained in this press release are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause our actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “projection”, “vision”, “goals”, “objective”, “target”, “schedules”, “outlook”, “anticipate”, “expect”, “estimate”, “could”, “should”, “expect”, “plan”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions are not historical facts and are forward-looking and may involve estimates and assumptions and are subject to

risks, uncertainties and other factors some of which are beyond our control and difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Therefore, any such forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this document.

In particular, material forward-looking statements in this press release include:

- The expected effective date of the reorganization
- The operating name and trading symbol of the corporation

Although we believe that the expectations reflected by the forward-looking statements presented in this release are reasonable, our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about ourselves and the businesses in which we operate. Information used in developing forward-looking statements has been acquired from various sources including third-party consultants, suppliers, regulators, and other sources. In some instances, material assumptions are disclosed elsewhere in this release in respect of forward-looking statements.

The Fund's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.