

AutoCanada Income Fund Announces Intention to Expand its Managed Dealership Business and its Relationship with Nissan Canada

Edmonton, Alberta – July 13, 2007: AutoCanada Income Fund (TSX: ACQ.UN), Canada's only publicly traded franchised automobile dealership business, announced today that it intends to expand its sources of cash generation for unitholders through an arrangement to finance the opening of a Nissan dealership Open Point, and to provide it with management services.

The dealership, to be named "Northland Nissan", and to be located in Prince George, British Columbia and is expected to commence operations by late September 2007 in a temporary facility with a two vehicle showroom and four service bays. The dealership is anticipated to be relocated to a new facility in the 4th quarter of 2008 which shall be designed to Nissan Canada image standards and shall provide for an eight vehicle showroom and ten service bays. The dealership shall be owned and operated by an affiliate of Canada One Auto Group Ltd., which owns 46% of the Fund on a fully diluted basis.

The new dealership marks an expansion of the Fund's managed dealership operations, thereby capturing incremental distributable cash flow generated by an automobile dealership that is not owned directly by the Fund. These relationships are intended to provide AutoCanada with the financial benefits associated with an expanded network of dealerships while accommodating the requirements of various automobile manufacturers.

To facilitate the transaction, AutoCanada shall seek Board approval to grant consents to Canada One and its affiliate under the terms of the non-competition agreements entered into at the time of the Fund's IPO. It is anticipated that such approval shall be forthcoming.

"Both Mr. Priestner and myself believe that potential added cash flow from a second Nissan dealership will be beneficial to our unitholders in the near term. In addition, we are pleased to be strengthening our business relationship with Nissan Canada and further expand the dealership platform of the Fund in a key market in Western Canada," said Gordon Barefoot, Chairman of AutoCanada Income Fund.

About AutoCanada

AutoCanada is Canada's only publicly traded entity with interests exclusively in the operation or management of franchised automobile dealerships. Through its 54% interest in AutoCanada LP, it operates or manages 17 franchised automobile dealerships in six provinces and has over 940 employees. It currently sells various new vehicle brands, including Chrysler, Dodge, Jeep®, Subaru, Hyundai, and, through a managed dealership, Nissan. In 2006, its owned franchised automobile dealerships sold approximately 19,350 vehicles and processed approximately 215,000 service and collision repair orders in 245 service bays, generating revenue of approximately \$694 million.

About Canada One Auto Group Ltd.

Canada One Auto Group Ltd. is a private company controlled by Patrick Priestner. On May 11, 2006 AutoCanada Income Fund acquired the business assets of Canada One Auto Group Ltd as disclosed in its prospectus that was filed on May 3, 2006. Canada One holds a 46% interest in the Fund on a fully diluted basis.

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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