

AUTOCANADA INC.

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Announces Approval for Purchase of Chrysler Dealership and \$102.5 Million Treasury and Secondary Common Share Offering

Edmonton, Alberta (May 13, 2013) AutoCanada Inc. (“AutoCanada” or the “Company”) (TSX:ACQ) announced today that it has obtained approval from Chrysler Canada to purchase the assets of Courtesy Chrysler Dodge (1987) (“Courtesy Chrysler”) in Calgary, Alberta. AutoCanada and Canada One Auto Group Ltd. (“CAG”) also announced today that they have entered into an agreement with a syndicate of underwriters led by RBC Capital Markets as bookrunner and co-lead manager and Clarus Securities as co-lead manager for the sale of \$102.5 million in common shares of AutoCanada, including a \$40.0 million offering from treasury to fund the acquisition and reduce debt outstanding under the Company’s revolving credit facility, and a \$62.5 million secondary offering from CAG.

About the Acquisition

Courtesy Chrysler is a leading retailer of Chrysler, Dodge, Jeep and Ram brands located in southeast Calgary. The dealership operates out of three facilities with a total size of approximately 52,000 sq. ft., including a body shop, 27 service bays, and a 10 car showroom. The dealership has been in operation for over 45 years and in 2012 retailed 934 new and 561 used vehicles. The targeted closing date for the transaction is June 30, 2013.

“Courtesy Chrysler is a premier, high volume Chrysler dealership, and we are fortunate to be able to welcome the Courtesy Chrysler family to the AutoCanada family, and shall work hard to continue the proud legacy of the owner, Mr. Rick Taylor. We are also very pleased to expand into Calgary, Alberta’s largest city, a new market for us and one filled with great opportunities,” stated Pat Priestner, Chairman & CEO of AutoCanada. “Courtesy Chrysler is significantly larger than any other acquisition by the Company since our initial public offering. With sales of approximately 1,500 new and used vehicles and revenues of over \$68 million in 2012, Courtesy Chrysler will be one of the largest and most profitable dealerships in our group and will serve as a strong base on which to build a platform for further growth in Calgary. Courtesy Chrysler is an important acquisition for AutoCanada and is an excellent start to our current acquisition program”.

Mr. Priestner further commented, “We would like to thank Chrysler Canada for their continued support. The Chrysler Dodge Jeep Ram brands have been exceptional partners of AutoCanada since inception and have been integral to our success. We are very proud to strengthen our partnership with Chrysler Canada and share in the continued growth and success of its brands.”

About the Offering

AutoCanada and CAG have reached an agreement with a syndicate of underwriters (the “Underwriters”) led by RBC Capital Markets as bookrunner and co-lead manager and Clarus Securities as co-lead manager for the sale, on a “bought deal” basis, of 1,600,000 common shares from the Company for gross proceeds of \$40.0 million (the “Treasury Offering”) and 2,500,000 common shares in a secondary offering from CAG for gross proceeds of \$62.5 million (the “Secondary Offering”), for a combined offering of \$102.5 million (the “Offering”).

The Company and CAG have each granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Treasury Offering and Secondary Offering (representing 240,000 and 375,000 common shares, respectively) on the same terms and conditions, exercisable in whole or in part at any time following closing of the Offering for a period of 30 days.

The Company will use the net proceeds of the Treasury Offering to provide additional capacity for acquisitions and to reduce indebtedness under its revolving line of credit. The Company will not receive any proceeds from the Secondary Offering.

CAG, AutoCanada’s largest shareholder, is owned by Mr. Priestner (80%) and others including AutoCanada employees and employees of dealerships operated by AutoCanada. A significant portion of the net proceeds from the Secondary Offering from CAG will be distributed to shareholders of CAG, including Mr. Priestner. In addition to personal and estate planning, the proceeds of the sale will increase the ability of CAG and Mr. Priestner to support AutoCanada’s acquisition plans with GM Canada. In accord with GM Canada’s purchase approval requirements of its dealerships by AutoCanada, Mr. Priestner is obliged to invest a minimum of 15% of the equity investment and maintain 100% voting control. The proceeds will also provide enhanced capacity for Mr. Priestner to participate with AutoCanada should opportunities develop to acquire dealer groups that include brands that currently do not accept public ownership.

After giving effect to the Offering, but before giving effect to the exercise of the over-allotment options, CAG will own 5,913,488 common shares of the Company, representing a 27.5% fully diluted interest. Assuming full exercise of the over-allotment options, CAG would own a 25.5% fully diluted interest in AutoCanada.

Closing of the Offering is expected to occur on or about June 3, 2013 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including approval of the Toronto Stock Exchange.

The common shares will be offered under a short form prospectus to be filed in each of the provinces of Canada except Quebec.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of AutoCanada in the United States. The common shares described in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state and may not be offered, sold or delivered in the United States absent an exemption from registration.

About AutoCanada

AutoCanada is one of Canada’s largest multi-location automobile dealership groups, currently operating 30 franchised dealerships in six provinces and has over 1,200 employees. AutoCanada currently sells

Chrysler, Dodge, Jeep, Ram, FIAT, Chevrolet, GMC, Buick, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, and Volkswagen branded vehicles. In 2012, our dealerships sold approximately 30,000 vehicles and processed approximately 309,000 service and collision repair orders in our 333 service bays during that time.

Additional information about AutoCanada Inc. is available at www.sedar.com and the Company's website at www.autocan.ca.

Forward-Looking Statements

This press release contains “forward-looking statements”, within the definition contained in applicable Canadian securities legislation, concerning the use of proceeds of the Offering and the anticipated closing dates of the Offering and the Courtesy Chrysler acquisition. Any such forward-looking statements are based on AutoCanada's current expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends. Any such forward-looking statements are based on assumptions, including the anticipated receipt of regulatory approvals, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from current expectations. The risks that could cause actual results to differ from current expectations include, but are not necessarily limited to: the impact of general economic conditions, industry conditions, stock market volatility, currency exchange rate and interest rate fluctuations and risks normally encountered in the retail automotive industry such as competition, fluctuations in consumer demand and reliance on manufacturers. The foregoing list of important factors is not exhaustive. AutoCanada cautions readers that should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. AutoCanada does not intend, and does not assume any obligation, to update or revise these forward-looking statements except as required pursuant to applicable securities laws.

For additional information with respect to certain of these risks or factors, plus additional risks or factors, reference should be made to the Company's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, which are available online under the Company's profile at www.sedar.com or on the Company's website at www.autocan.ca.