

NEWS RELEASE

CONTRANS INCOME FUND ANNOUNCES THE DISCONTINUATION OF ITS DISTRIBUTION REINVESTMENT PLAN

CONTRANS INCOME FUND ALSO ANNOUNCES THE COMPLETION OF ITS UNIT OPTION CANCELLATION PROGRAM

(Woodstock, Ontario—May 28, 2009) - Contrans Income Fund (TSX. Symbol CSS.UN), today announced that the Board of Trustees has decided to discontinue Contrans' distribution reinvestment plan (the "DRIP") effective June 30, 2009.

In accordance with the provisions of the DRIP, all registered holders of subordinate voting trust units ("Trust Units") participating under the DRIP ("Plan Units") have today been mailed written notice of the termination of the DRIP, and each participant's account will be settled as soon as practicable following the termination effective date by: (i) in the case of a participant who does not hold Plan Units through a participant in the Canadian Depository System ("CDS"), delivery of a Trust Unit certificate representing the total number of whole Plan Units and a cheque representing a cash payment for any fractional Plan Units held under the DRIP based on the market price of such fractional Plan Units on the termination effective date; and (ii) in the case of a participant who holds Plan Units beneficially through a participant in CDS, such participant should contact his or her broker, investment dealer, financial institution or other nominee who holds the Plan Units on their behalf to arrange for settlement.

At the same time Contrans Income Fund also today announced that it has completed a voluntary unit option cancellation program offered to all holders of unit options resulting in the cancellation of all Contrans' options.

Under the terms of the program, options to acquire an aggregate of 2,013,870 Trust Units were voluntarily surrendered for cancellation by all of the holders. Following this cancellation, there are no unit options outstanding and a total of 2,482,335 Trust Units remain reserved for issuance at a future date.

"With recent economic turmoil and the resulting trading price of the Trust Units substantially below the exercise prices of the outstanding options, the purposes of the Unit Option Plan are not being met," stated Mr. Stan Dunford, Chairman and Chief Executive Officer.

"We believe the cancellation program is a prudent course of action and it provides management with the flexibility in the future to issue unit options to new and existing employees, without creating further dilution to our unitholders. This flexibility is critical for us, as options are an important element for attracting and retaining valued employees, and for keeping their interests aligned with those of our unitholders."

The Board and Management remain confident in Contrans' ability to compete, to succeed and to continue to create long-term value for its unitholders.

The Fund is an unincorporated, open-ended limited purpose trust created for the purpose of acquiring and holding certain investments. Contrans has been providing freight transportation services since 1985. With approximately 1,300 power units and 2,300 trailers under management, Contrans is one of the largest freight transportation companies in Canada.

Trust units are listed on The Toronto Stock Exchange (under CSS.UN) and are eligible for registered retirement savings plans (RRSP's), registered retirement income funds (RRIF's) and deferred profit sharing plans (DPSP's).

For further information please contact:

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