

CONTRANS INCOME FUND

NEWS RELEASE FOR IMMEDIATE RELEASE

Woodstock, Ontario – Contrans Income Fund (TSX:CSS.UN) announced today that Northstar Passenger Services LP, a partnership controlled by the Fund which operates a school bus business, has acquired substantially all of the bus assets of Ludlow Bus Lines Limited. These assets include the school buses used in the business, real property located in Alliston, Ontario, related fixed assets, equipment, inventory and machinery and the name and goodwill associated with the business.

The school bus business of Ludlow is headquartered in Alliston, Ontario and the operations extend throughout Simcoe and Dufferin Counties. The gross revenues of the Ludlow bus business during the most recent fiscal year were approximately \$3.5 million (Cdn.).

Stan Dunford, the Chief Executive Officer of Contrans, stated that “the opportunity to acquire the assets and goodwill of Ludlow will allow Contrans to expand its school bus business in order to provide a broader range of services to its new and existing customers in the Province of Ontario.

For further information, contact Stan Dunford or Greg Rumble at (519) 421-4600.

DATED August 1, 2002.