

NEWS RELEASE

CONTRANS INCOME FUND SELLS BUSING BUSINESS

Woodstock, Ontario, August 4, 2005. Contrans Income Fund (TSX: CSS.UN) ("Contrans") today announced that it has completed a sale to Stock Transportation Ltd. of all of its interests in Northstar Passenger Services and Walsh Transportation for an aggregate cash consideration of approximately \$54 million and an assumption by the purchaser of approximately \$2 million in liabilities. As a result of this transaction, Contrans has sold all of the assets associated with its busing operations.

The net proceeds from the transaction will be used by Contrans to make the special distribution referred to below and to make further acquisitions in the freight transportation business as and when appropriate opportunities arise. The completion of this transaction is not expected to affect the regular monthly distributions of Contrans or to have a material impact on the distributable cash generated by Contrans.

During the 12 months ended June 30, 2005, the busing operations of Contrans generated revenues of \$28.2 million and contributed distributable cash of \$3.4 million.

This transaction will result in a taxable capital gain which will be allocated to holders of subordinate voting trust units on December 31, 2005 and holders of limited partnership units on August 4, 2005. The capital gain resulting from the transaction is estimated at \$0.90 per unit, one-half of which, in the case of residents of Canada, will be taxable. In order to address the foregoing tax liability, Contrans has declared a special distribution payable on January 16, 2006 in the amount of \$0.23 per unit to unitholders of record on December 31, 2005. This special distribution is intended to provide Canadian resident unitholders with cash resources sufficient to address the tax liability associated with the foregoing capital gain. Holders of subordinate voting trust units and limited partnership units of Contrans who are not residents of Canada are advised to seek tax advice concerning this transaction and special distribution.

Holders of Contrans' subordinate voting trust units and limited partnership units who are participants in the distribution reinvestment plan as of December 31, 2005 will have the foregoing special distribution of \$0.23 per unit reinvested in additional subordinate voting trust units of Contrans in accordance with the terms of the plan.

Stan Dunford, Chief Executive Officer of Contrans, stated that "The disposition of the busing business of Contrans will be a positive development for Contrans in that it will allow Contrans to focus exclusively on its core freight transportation business and will augment the capital available to pursue acquisition opportunities."

Contrans has been providing freight transportation services since 1985. With approximately 1,300 power units and 2,100 trailers under management, Contrans is one of the largest freight transportation companies in Canada.

For further information please contact:

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