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**LIQUOR STORES INCOME FUND ENTERS INTO SUPPORT AGREEMENT IN
CONNECTION WITH ITS OFFER TO ACQUIRE ALL OF THE OUTSTANDING TRUST
UNITS OF LIQUOR BARN INCOME FUND**

Edmonton, Alberta – Liquor Stores Income Fund ("**Liquor Stores**") announced today that it entered into a support agreement (the "**Support Agreement**") on April 9, 2007 with 1241827 Alberta Inc., 1241816 Alberta Inc., Terdon Management Systems Inc. and 893713 Alberta Inc. (collectively, the "**Supporting Unitholders**"), pursuant to which Liquor Stores agreed to propose a business combination transaction (a "**Transaction**") to Liquor Barn Income Fund ("**Liquor Barn**") and/or the holders (the "**Liquor Barn Unitholders**") of trust units ("**Liquor Barn Units**") of Liquor Barn. On April 10, 2007, Liquor Stores made an offer (the "**Offer**") to purchase all of the outstanding Liquor Barn Units (including Liquor Barn Units that may become outstanding after the date of the Offer upon the exercise of options, warrants or other conversion or exchange rights) on the basis of 0.53 of a trust unit (a "**Liquor Stores Unit**") of Liquor Stores for each one Liquor Barn Unit (the "**Exchange Ratio**"). The Offer includes a merger ("**Merger**") transaction pursuant to which Liquor Stores would acquire all of the assets and liabilities of Liquor Barn immediately following the completion of the Offer and the Liquor Barn Units and special voting units ("**Liquor Barn Special Voting Units**") of Liquor Barn would be redeemed in exchange for Liquor Stores Units and special voting units ("**Liquor Stores Special Voting Units**") of Liquor Stores, respectively, on the basis of the Exchange Ratio.

The Supporting Unitholders own, in the aggregate: (i) 808,942 Liquor Barn Special Voting Units representing approximately 20.98% of the outstanding Liquor Barn Special Voting Units (and together with the Liquor Barn Units, approximately 5.8% of the outstanding Liquor Barn voting units (the "**Liquor Barn Voting Units**")); (ii) 404,471 exchangeable limited partnership units ("**Exchangeable LP Units**") of Liquor Barn Limited Partnership ("**Liquor Barn Partnership**") representing approximately 34% of the outstanding Exchangeable LP Units; and (iii) 404,471 subordinated exchangeable limited partnership units ("**Subordinated LP Units**") of Liquor Barn Partnership representing approximately 19% of the outstanding Subordinated LP Units. The Exchangeable LP Units and the Subordinated LP Units are exchangeable for Liquor Barn Units on a one for one basis. Assuming the exchange of all Exchangeable LP Units and Subordinated LP Units owned by the Supporting Unitholders, the Supporting Unitholders would own, in the aggregate, 808,942 Liquor Barn Units, representing approximately 7.4% of the outstanding Liquor Barn Units on a partially diluted basis.

Pursuant to the Support Agreements, the Supporting Unitholders have, among other things, agreed to: (i) deposit under the Offer or the Merger any Liquor Barn Units that they own or control; (ii) vote all Exchangeable LP Units, Subordinated LP Units, Liquor Barn Special Voting Units and Liquor Barn Units (collectively, "**Liquor Barn Securities**") they own or control in favour of any resolutions relating to the Offer and Merger; and (iii) effective on completion of the Offer and Merger, appoint Liquor Stores as voting trustee of the Supporting Unitholders to exercise all voting rights attached to their Liquor Barn Securities. The Supporting Unitholders will be released from their obligations under the Support Agreement if a transaction involving Liquor Barn is proposed by another party prior to the completion of the Offer pursuant to which Liquor Barn Unitholders will receive a consideration per Liquor Barn Unit that is greater in value than the consideration under the Offer and Merger (a "**Superior Transaction**") unless Liquor Stores amends the Offer or proceeds with another transaction that provides for a consideration per Liquor Barn Unit that is at least equal in value to the consideration provided for under the Superior Transaction.

Liquor Stores entered into the Support Agreement with the Supporting Unitholders to facilitate the Offer and Merger. The Offer is conditional upon, among other things, the number of Liquor Barn Units held by Liquor Barn Unitholders who elect to participate in the Offer or the Merger, together with the number of Liquor Barn Units held as of the expiry time of the Offer by or on behalf of Liquor Stores or its subsidiaries, if any, together with any separately voted Liquor Barn Voting Units, representing more than 66 2/3% of the then outstanding Liquor Barn Voting Units (the "**Minimum Condition**"). If the Minimum Condition is achieved and the other conditions precedent to the completion of the Offer are satisfied or waived by Liquor Stores, Liquor Stores' intention is to complete the Merger immediately following and conditional on the take-up under the Offer with the result that Liquor Stores would acquire all of the assets and liabilities of Liquor Barn and all Liquor Barn Units and Liquor Barn Special Voting Units would be redeemed for Liquor Stores Units and Liquor Stores Special Voting Units on the basis of the Exchange Ratio.

Notwithstanding any information or statement contained herein, the issuance of this news release is not an admission that an entity named in this news release owns or controls any securities described herein or is a joint actor with another entity named herein.

About Liquor Stores Income Fund

Liquor Stores is a publicly traded Canadian income trust that participates in the retail liquor industry in Alberta and British Columbia through its 75.6% interest in Liquor Stores Limited Partnership, which operates the largest number of private liquor stores in Canada by number of stores (currently 105 stores). Liquor Stores trades on the Toronto Stock Exchange under the symbol LIQ.UN. For additional information about Liquor Stores, visit www.sedar.com and Liquor Stores' website at www.liquorstoresincomefund.ca.

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