

LIQUOR STORES INCOME FUND ANNOUNCES \$32.4 MILLION ISSUANCE OF TRUST UNITS AND \$16.7 MILLION SECONDARY OFFERING

EDMONTON, ALBERTA (February 22, 2006) –

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Liquor Stores Income Fund (the “Fund”) (TSX:LIQ.UN) announced today that it and certain Selling Unitholders have entered into an agreement for the sale of trust units on a bought deal basis to a syndicate of underwriters led by RBC Capital Markets at a price of \$20.25 per trust unit.

The offering will consist of 2,427,132 trust units of which 827,132 trust units will be sold by The Liquor Depot Corporation, Liquor Stop Group Inc., Liquor World Group Inc. and Daly Grove Liquor Store Inc., collectively referred to as the “Selling Unitholders”. The gross proceeds of the offering will be approximately \$49.1 million, of which approximately \$32.4 million will be paid to the Fund. The Fund will not receive any proceeds (approximately \$16.7) from the sale of trust units by the Selling Unitholders. Closing is anticipated to be on or about March 15, 2006, subject to customary regulatory approvals.

The first cash distribution in which purchasers of the trust units offered will be eligible to participate will be for the month of March with a record date of March 31, 2006, which is expected to be payable on or about April 17, 2006.

The net proceeds of the treasury offering will be used to repay current indebtedness, to fund acquisitions and new store development, and for general corporate purposes.

The trust units will be issued under a short form prospectus in all provinces of Canada other than Quebec. The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Liquor Stores Income Fund

The Fund is a publicly traded Canadian income fund that participates in the retail liquor industry in Alberta and British Columbia through its 59.92% interest in Liquor Stores Limited Partnership. Liquor Stores Income Fund is Canada’s only publicly traded entity with interests exclusively in the retailing of liquor products.

The Fund is the largest liquor retailer in Alberta by number of stores. The Fund currently operates 75 stores, 5 of which are located in British Columbia. In 2005, the Fund acquired or developed 21 stores in Alberta, and 4 in British Columbia.

The trust units trade on the Toronto Stock Exchange under the symbol LIQ.UN.

Additional information about Liquor Stores Income Fund is available at www.sedar.com and the Fund's website at www.liquorstoresincomefund.ca.

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FORWARD LOOKING STATEMENTS

Certain statements in this news release are "forward-looking statements", which reflect management's expectations regarding the offering (including the use of proceeds therefrom), and the amount and timing of the payment of distributions of the Fund. All statements other than statements of historical fact contained in this news release are forward-looking statements. Such forward-looking statements involve risks and uncertainties, as they reflect management's current beliefs and are based on information currently available to management. Actual results may differ materially from those anticipated in the statements made. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release and the Fund assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law. Further information regarding the uncertainties and risks can be found in the disclosure documents filed by the Fund with the securities regulatory authorities, available at www.sedar.com.