



For Immediate Release

The Toronto Stock Exchange: BPF.UN

**BOSTON PIZZA ROYALTIES INCOME FUND AND BOSTON PIZZA INTERNATIONAL INC.
ANNOUNCE THIRD QUARTER RESULTS AND OCTOBER DISTRIBUTION TO UNITHOLDERS**

Fund's royalty income rises 11% to \$19.5 million through the first nine months of 2008

VANCOUVER, BC, (November 4, 2008) - Boston Pizza Royalties Income Fund (the "Fund") and Boston Pizza International Inc. ("BPI") each reported today financial results for the period of July 1, 2008 to September 30, 2008 (the "Period") and the year-to-date results from January 1, 2008 to September 30, 2008 ("Year-to-date"). A copy of the management's discussion and analysis and financial statements are available at www.sedar.com and www.bpincomefund.com. The Fund will host a conference call to discuss the results on November 4, 2008 at 10:00 a.m. Pacific Time (1:00 p.m. Eastern Time). The call can be accessed by dialling 1-800-319-4610 or 604-638-5340. A replay will be available until November 11, 2008 by dialling 1-800-319-6413 or 604-638-9010 and entering the pin code: 4452 followed by # sign.

Same Store Sales Growth ("SSSG"), the key driver of yield growth for individual Unitholders of the Fund, was 0.3% for the Period and 0.9% Year-to-date compared to the same periods one year ago. Franchise sales of restaurants in the royalty pool increased 9.4% for the Period and 10.8% Year-to-date versus 2007. This growth was achieved through SSSG and the addition of 34 new restaurants to the royalty pool on January 1, 2008.

"In the third quarter we opened three new Boston Pizza restaurants and renovated another ten locations to the latest design standards" said Mike Cordoba, Chief Executive Officer. "Sales in the Period were driven by our new menu and a successful 62 Days of Summer promotion, which ran in all restaurants through July and August and included a chance to win a vacation package on each day of the event".

Earnings before income taxes of the Fund increased by 17.5% for the Period and 19.0% Year-to-date compared to the same periods in 2007. Earnings before income taxes of the Fund for the Period were \$5.5 million or \$0.352 per unit compared to the third quarter of 2007 in which earnings before income taxes were \$4.7 million or \$0.368 per unit. Distributions declared for the Period were \$5.4 million or \$0.345 per unit compared to the third quarter of 2007 in which distributions declared were \$4.3 million or \$0.339 per unit. Distributions for the Period were funded entirely by cash flow from operations. No debt was incurred at any point during the Period to fund distributions.

The Trustees of the Fund are pleased to announce a monthly cash distribution to Unitholders of 11.5 cents per unit for October 2008. The distribution will be paid to Unitholders of record at the close of business on November 21, 2008 and will be payable on November 28, 2008. The Fund periodically reviews distribution levels based on its policy of stable and sustainable distribution flow to Unitholders.

On September 22, 2008 the Fund announced that it had received Toronto Stock Exchange ("TSX") approval of a Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") through the facilities of the TSX which permits the Fund to repurchase for cancellation up to 1,336,154 units, being approximately 8.5% of the Fund's issued and outstanding units (as at September 19, 2008) and approximately 10.0% of its public float, currently comprised of 13,361,545 units.

Purchases under the NCIB commenced on October 1, 2008 and as of November 3, 2008, the Fund had acquired 142,900 units at an average price of \$8.88. The NCIB will terminate on September 30, 2009 or such earlier date that the Fund has acquired the maximum number of units under the issuer bid. The Fund will pay the market price at the time of acquisition for any units purchased through the facilities of the TSX and all units acquired under the NCIB will be cancelled.

The Fund is a limited purpose, open-ended trust established under the laws of British Columbia to acquire indirectly certain trade-marks and trade names used by BPI in its Boston Pizza restaurants in Canada. The trade-marks are licensed to BPI for 99 years for which BPI pays the Fund 4% of franchise revenues of royalty pooled restaurants.

HIGHLIGHTS

The following table sets out selected historical information and other data from the financial statements of the Fund and Boston Pizza Royalties Limited Partnership (the "Partnership"), which should be read in conjunction with the attached consolidated financial statements of the Fund.

	Jul 1, 2008 to Sep 30, 2008	Jul 1, 2007 to Sep 30, 2007	Jan 1, 2008 to Sep 30, 2008	Jan 1, 2007 to Sep 30, 2007
(in thousands of dollars – except restaurants, SSSG and per unit items)				
System-Wide Gross Sales	\$219,965	\$202,069	\$621,518	\$559,679
Number of restaurants in Royalty Pool	298	266	298	266
Franchise Sales reported by restaurants in Royalty Pool	\$170,768	\$156,111	\$487,362	\$439,980
Royalty Income – 4% of Franchise Sales of Royalty Pool Restaurants	\$6,831	\$6,244	\$19,495	\$17,599
Partnership administrative and interest expenses	\$267	\$215	\$1,041	\$859
Partnership earnings for the period before undernoted	\$6,564	\$6,029	\$18,453	\$16,740
BPI's interest in the earnings of the Partnership	\$1,494	\$1,783	\$4,638	\$5,350
Equity income related to BPI royalties earned by the Fund	\$5,070	\$4,246	\$13,815	\$11,390
Interest income	\$450	\$450	\$1,350	\$1,350
Earnings before income taxes	\$5,520	\$4,696	\$15,165	\$12,740
Future income taxes expense	-	\$176	\$116	\$2,999
Net earnings	\$5,520	\$4,520	\$15,049	\$9,741
Basic and Diluted Earnings per Fund unit	\$0.352	\$0.354	\$1.009	\$0.783
Distributions declared per Fund unit	\$0.345	\$0.339	\$0.920	\$0.896
Same store sales growth (SSSG)	0.3%	6.6%	0.9%	6.6%
Number of restaurants opened during period	3	7	10	14
Number of restaurants closed during period	1	0	2	0

OUTLOOK

Boston Pizza is well positioned for future growth and should continue to strengthen its position as the number one casual dining brand in Canada. In 2008, management of Boston Pizza International Inc. anticipates that approximately 27 new locations will open across Canada. The forecast of new restaurant openings for 2008 was lowered from the previously estimated range of 30 to 35 locations due to slower than anticipated site development experienced Year-to-date. Management will continue to pursue further development in Western Canada, while the majority of new locations are expected to be in Eastern Canada and Quebec.

SSSG in the remainder of 2008 will be driven by the new television advertising campaign, a larger national marketing budget and an updated menu. In addition, Boston Pizza has surpassed its previously announced plans for a record 25 to 30 restaurant renovations this year, with 32 completed so far in 2008. Relatively weaker economic conditions experienced Year-to-date have had an impact on sales at Boston Pizza Restaurants and BPI management is not expecting a significant improvement in economic conditions in the near-term.

Certain information in this press release may constitute “forward-looking information” that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, the Boston Pizza Holdings Trust, the Partnership, Boston Pizza Holdings Limited Partnership, BPI, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this press release, such information uses words including “anticipate”, “estimate”, “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Such forward-looking information involves a number of risks, uncertainties and future expectations including, but not limited to the risks and uncertainties set out in the Fund’s management’s discussion and analysis under “Risks and Uncertainties”. Forward-looking information is made as of the date hereof and, except as required by law, we assume no obligation to update or revise forward-looking information to reflect new events or circumstances.

The trustees of the Fund have approved the contents of this press release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Consolidated Financial Statements of

BOSTON PIZZA ROYALTIES INCOME FUND

Three and nine months ended September 30, 2008 with comparative figures for 2007
(Unaudited)

BOSTON PIZZA ROYALTIES INCOME FUND

Consolidated Balance Sheets

	September 30, 2008	December 31, 2007
	(unaudited)	
Assets		
Current assets:		
Cash	\$ 379	\$ 334
Interest receivable on note receivable from Boston Pizza International Inc.	150,000	150,000
Distributions receivable from Boston Pizza Royalties Limited Partnership	-	1,316,361
	<u>150,379</u>	<u>1,466,695</u>
Note receivable from Boston Pizza International Inc.	24,000,000	24,000,000
Investment in Boston Pizza Royalties Limited Partnership (note 7)	162,632,979	125,198,453
	<u>\$ 186,783,358</u>	<u>\$ 150,665,148</u>
Liabilities and Unitholders' Equity		
Current liabilities:		
Distributions payable to Fund unitholders	\$ -	\$ 1,466,356
Future income taxes (note 9)	2,997,000	2,881,000
Unitholders' equity:		
Fund units	185,703,749	149,182,700
Accumulated deficit	(1,917,391)	(2,864,908)
	<u>183,786,358</u>	<u>146,317,792</u>
Contingency (note 8)		
Subsequent event (note 10)		
	<u>\$ 186,783,358</u>	<u>\$ 150,665,148</u>

See accompanying notes to consolidated financial statements.

BOSTON PIZZA ROYALTIES INCOME FUND

Consolidated Statements of Earnings and Comprehensive Income

(Unaudited)

Three and nine months ended September 30, 2008, with comparative figures for 2007

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Revenue (note 6(a)):				
Equity income related to BPI royalties	\$ 5,070,413	\$ 4,246,025	\$13,815,247	\$ 11,389,969
Interest income	450,015	450,015	1,350,040	1,350,040
Earnings before income taxes	5,520,428	4,696,040	15,165,287	12,740,009
Future income taxes expense (note 9)	-	176,000	116,000	2,999,000
Net earnings and comprehensive income for the period	\$ 5,520,428	\$ 4,520,040	\$15,049,287	\$ 9,741,009
Weighted average units outstanding	15,696,168	12,750,922	14,911,486	12,436,062
Basic and diluted earnings per Fund unit	\$ 0.35	\$ 0.35	\$ 1.01	\$ 0.78

Consolidated Statements of Accumulated Deficit

(Unaudited)

Three and nine months ended September 30, 2008, with comparative figures for 2007

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Retained earnings (deficit), beginning of period	\$(2,022,641)	\$(1,632,418)	\$(2,864,908)	\$ 248,883
Net earnings for the period	5,520,428	4,520,040	15,049,287	9,741,009
Distributions declared to Fund unitholders	(5,415,178)	(4,322,562)	(14,101,770)	(11,424,832)
Accumulated deficit, end of period	\$(1,917,391)	\$(1,434,940)	\$(1,917,391)	\$(1,434,940)

See accompanying notes to consolidated financial statements.

BOSTON PIZZA ROYALTIES INCOME FUND

Consolidated Statements of Cash Flows

(Unaudited)

Three and nine months ended September 30, 2008, with comparative figures for 2007

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Cash provided by (used in):				
Operations:				
Net earnings	\$ 5,520,428	\$ 4,520,040	\$ 15,049,287	\$ 9,741,009
Items not affecting cash:				
Equity income	(5,070,413)	(4,246,025)	(13,815,247)	(11,389,969)
Future income taxes	-	176,000	116,000	2,999,000
Distributions received from Boston Pizza Royalties Limited Partnership	4,965,178	3,872,562	14,218,132	11,273,471
	5,415,193	4,322,577	15,568,172	12,623,511
Financing:				
Distributions paid to Fund unitholders	(5,415,178)	(4,322,562)	(15,568,127)	(12,623,466)
Increase in cash	15	15	45	45
Cash, beginning of period	364	305	334	275
Cash, end of period	\$ 379	\$ 320	\$ 379	\$ 320
Supplementary information:				
Non-cash financing and investing activities:				
Issuance of Fund units to acquire additional interest in Boston Pizza Royalties Limited Partnership	\$ -	\$ -	\$ 36,521,050	\$ 26,576,464

See accompanying notes to consolidated financial statements.

1. Basis of presentation:

These consolidated financial statements include the accounts of the Boston Pizza Royalties Income Fund, its wholly-owned subsidiaries Boston Pizza Holdings Trust (the "Trust"), Boston Pizza Holdings GP Inc. and Boston Pizza Holdings Limited Partnership, and its 80% owned subsidiary Boston Pizza GP Inc. ("BPGP") (collectively the "Companies" or "Fund"). BPGP is the managing general partner and Boston Pizza International Inc. ("BPI") is a general partner of Boston Pizza Royalties Limited Partnership (the "Partnership"). All residual ownership of BPGP is either directly or indirectly controlled by BPI.

The Partnership is considered to be a variable interest entity. BPI is the primary beneficiary of the Partnership and accordingly is required to consolidate the Partnership.

These interim consolidated financial statements have been prepared using Canadian generally accepted accounting principles.

The disclosures in these statements do not include all the disclosures required by Canadian generally accepted accounting principles for annual financial statements. These statements should be read in conjunction with the significant accounting policies and other information in the Fund's most recent annual financial statements. These statements follow the same accounting policies and methods of their application as the most recent annual financial statements, except for the changes outlined in note 2.

2. Changes in Accounting Policies:

(a) Capital Disclosures:

Effective January 1, 2008, the Fund adopted the recommendations of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, *Capital Disclosures* that specifies the disclosure of: (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any established capital requirements; and, (iv) if it has not complied, the consequences of such non-compliance.

(b) Financial Instruments:

The Fund has also adopted CICA Handbook Sections 3862 and 3863 that replace Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

3. Capital Disclosures:

The Fund's objectives in managing its capital, which it defines as Unitholders' equity, are:

- To safeguard the Fund's ability to continue as a going concern
- To provide financial capacity and flexibility to meet its strategic objectives
- To provide an adequate return to unitholders commensurate with the level of risk
- To distribute excess cash through distributions

The Fund defines its capital as the balance of unitholders' equity.

The Fund maintains formal financial policies to manage its capital structure. The Fund makes adjustments to the policies in light of changes to economic conditions, the underlying risks inherent in its operations, and capital requirements to maintain and grow its operations.

The Fund is not subject to any statutory capital requirements and has no commitments to sell or otherwise issue shares, other than the commitment to exchange Class B general partner units ("Partnership Units") held by BPI for Fund units, as described in note 6(d).

4. Financial Instruments:

The Fund classified its financial instruments as follows:

- Cash as *held-for-trading*, which is measured at fair value.
- Interest receivable on note receivable from BPI, distributions receivable from the Partnership and note receivable from BPI as *loans and receivables*, which are initially measured at fair value and subsequently at amortized cost.
- Distributions payable to Fund unitholders as *other financial liabilities*, which are measured at amortized cost.
- The requirement of the Fund to settle its note receivable from BPI in exchange for Class C general partner units ("Class C Units") is classified as a *derivative instrument*. The Fund has reviewed the net impact of this potential exchange requirement on its cash flows and has determined there is no significant value applicable to this feature.

The fair values of interest receivable, distributions receivable and distributions payable approximate their carrying amount largely due to the short-term maturities of these instruments.

5. Financial Risk Management:

The Fund is primarily exposed to credit risk, liquidity risk, and interest rate risk, as they relate to the Fund's identified financial instruments.

Credit risk

Credit risk is defined by the Fund as an unexpected loss in cash and earnings if the other party is unable to pay its obligations in due time. The Fund's exposure to credit risk arises from its distributions receivable, interest receivable and notes receivable, all being due from either BPI or the Partnership. The Fund monitors this risk through its regular review of operating and financing activities of BPI. Since its inception, the Fund has never failed to collect its interest or distributions receivable on a timely basis.

The performance of the Fund is directly dependent upon the royalty and interest payments received from BPI. The amount of royalty received from BPI is dependent on various factors that may affect the casual dining sector of the restaurant industry. In general, the restaurant industry, and in particular the casual dining sector, is intensely competitive with respect to price, service, location and food quality. If BPI and the Boston Pizza franchisees are unable to successfully compete in the casual dining sector, Franchise Sales may be adversely affected. The reduction of royalties may impact the ability for BPI to pay the royalty or interest on the loan to BPI from the Fund.

Liquidity risk

Liquidity risk results from the Fund's potential inability to meet its financial liabilities. Beyond effective net working capital and cash management, the Fund constantly monitors the operations and cash flows of the Partnership to ensure that current and future distributions to Unitholders will be met.

The Fund's capital resources are comprised of cash and cash equivalents and cash flow from operating activities.

The Fund is subject to certain guarantor covenants and reporting requirements arising from the Partnership's \$5 million term loan and its undrawn \$1 million operating line of credit and its \$20 million term loan for the Fund's normal course issuer bid.

Interest rate risk

The Fund's interest rate risk exposure is mainly related to an interest-bearing note receivable from BPI. As this note receivable has a fixed interest rate of 7.5%, is from a related party, and is due in July 2042, the Fund does not perform interest rate risk management to minimize the overall financial interest rate risk.

6. Operations:

- (a) Franchise Sales reported by Boston Pizza restaurants in the Royalty Pool during the three and nine months ended September 30, 2008 were \$170,768,371 and \$487,361,581 respectively (2007 - \$156,111,458 and \$439,980,390).

Equity and interest income earned by the Fund has been derived as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
(in thousands of dollars, except number of restaurants in the Royalty Pool)				
Restaurants in the Royalty Pool	298	266	298	266
Franchise Sales reported by restaurants in the Royalty Pool	\$ 170,768	\$ 156,111	\$ 487,362	\$ 439,980
Royalty income - 4% of Franchise sales	\$ 6,831	\$ 6,244	\$ 19,494	\$ 17,599
Administrative and interest expenses	(267)	(215)	(1,041)	(859)
Partnership earnings for the period before undernoted	6,564	6,029	18,453	16,740
BPI's interest	(1,494)	(1,783)	(4,638)	(5,350)
Equity income related to BPI royalties earned by Fund	5,070	4,246	13,815	11,390
Interest income	450	450	1,350	1,350
Net earnings before income taxes	\$ 5,520	\$ 4,696	\$ 15,165	\$ 12,740

- (b) On January 1, 2008, adjustments to royalty payments and Additional Entitlement were made based on the actual performance of 40 net new restaurants added to the Royalty Pool on January 1, 2007. Based on these adjustments, BPI received its pro rata portion of the remaining Additional Entitlement, 386,341 Fund units.
- (c) On January 1, 2008, 34 new Boston Pizza restaurants that opened during the period from January 1, 2007 to December 31, 2007 were added to the Royalty Pool. The Franchise sales of these 34 new restaurants have been estimated at \$69,144,000. The total number of restaurants in the Royalty Pool increased to 300. As a result of the contribution of the additional net sales to the Royalty Pool, and assuming 100% of the Additional Entitlement, BPI's Additional Entitlement is equivalent to 1,889,459 (2007 - 2,158,478) Fund units. BPI will also receive a proportionate increase in monthly distributions from the Partnership. Of the Additional Entitlement, 20% (2008 - 377,892 units; 2007 - 431,696 units) remain unissued and are not eligible for conversion to Fund units until January 1, 2009 (2007 units - January 1, 2008) based on the actual performance of the new stores.

6. Operations (continued):

- (d) On March 13, 2008, BPI exchanged Partnership Units for 2,945,246 Fund units. As a result, the Fund's investment in the Boston Pizza Royalties Limited Partnership and Fund units increased by \$36,521,050, which is based on the market value of the Fund's units at that date. BPI then sold these Fund units to the public. As of September 30, 2008, BPI holds exchangeable Partnership Units equivalent to 2,140,392 Fund units, or 12% of the issued and outstanding units on a fully diluted basis.
- (e) During 2008, BPI has permanently closed two locations, bringing the number of total restaurants in the Royalty Pool from 300 to 298. The impact of these closures will be factored into the calculation of new Franchise Sales added to the Royalty Pool from restaurants opened during 2008 for the calculation of Additional Entitlements on January 1, 2009.

7. Investment in Boston Pizza Royalties Limited Partnership:

Balance as at December 31, 2006	\$ 98,854,840
Acquisition of additional Partnership Units by issuing Fund units	26,576,464
Equity income	15,231,904
Distributions from the Partnership	(15,464,755)
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Balance as at December 31, 2007	125,198,453
Acquisition of additional Partnership Units by issuing Fund units	36,521,050
Equity income	13,815,247
Distributions from the Partnership	(12,901,771)
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Balance as at September 30, 2008	\$ 162,632,979

Summarized balance sheet of the Partnership is as follows:

	September 30, 2008	December 31, 2007
Current assets	\$ 7,033,073	\$ 9,273,162
Long-term assets, consisting of the BP Rights	216,864,560	191,191,716
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Total assets	\$ 223,897,633	\$ 200,464,878
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Current liabilities	\$ 4,159,534	\$ 8,112,139
Long-term liabilities	5,000,000	5,000,000
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Partners' surplus	214,738,099	187,352,739
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Total liabilities and surplus	\$ 223,897,633	\$ 200,464,878

8. Contingency:

On March 7, 2008 BPI, the Fund, and Boston Market Corporation (“Boston Market”) entered into a Trademark Co-Existence and Settlement Agreement settling all ongoing litigation between the parties and other parties currently or formerly related to Boston Market. The litigation involving BPI, the Fund, Boston Market and other parties arose due to Boston Market’s decision to begin operating Boston Market restaurants in Canada in 2002. Boston Market restaurants ceased operating in Canada in 2004.

The Trademark Co-Existence and Settlement Agreement resolves the trademark infringement action commenced by BPI and the Fund against Boston Market and related parties, the trademark expungement proceedings and counterclaim commenced by Boston Market and related parties against BPI and the Fund relating to various trademarks owned by the Fund and used by Boston Pizza restaurants in Canada, as well as various trademark applications made by Boston Market or related parties and opposed by BPI.

The principal terms of the Trademark Co-Existence and Settlement Agreement include:

- (a) Boston Market has agreed that for a five-year period it will not apply to register in Canada or use in Canada any trademark that incorporates the words “Boston” or “Boston Market” in association with restaurants or any food or beverage products other than pre-packaged food products (not including pizza and lasagna) intended for consumption at home and distributed through retail distribution channels other than restaurants;
- (b) BPI and the Fund have agreed not to challenge the registration in Canada or the use in Canada by Boston Market of the trademark “BOSTON MARKET” in association with pre-packaged food products (not including pizza and lasagna) intended for consumption at home and distributed through retail distribution channels other than restaurants;
- (c) Boston Market has agreed that for a five-year period it will not challenge the registration in Canada or the use in Canada by the Fund or BPI of any trademark that uses the words “Boston” or “Boston Pizza” (except for certain trademarks of Boston Market such as “BOSTON MARKET”, “BOSTON CHICKEN”, and “BOSTON HEARTH”);
- (d) Boston Market will comply with various trade-dress restrictions; and
- (e) No compensation will be paid by any party in relation to the Trademark Co-Existence and Settlement Agreement.

9. Income taxes:

On October 31, 2006, the Canadian federal government announced proposed tax legislation that would change the income tax rules applicable to publicly traded trusts rendering income trusts taxable starting in 2011. On June 12, 2007, the proposed tax legislation passed third reading in the House of Commons. As a result, the associated income tax became substantively enacted for accounting purposes. The legislation imposes a tax of 31.5% on Canadian public income trusts. This rate was subsequently lowered in December 2007 and then again in June 2008 to 27.5% for 2011 and 26% for 2012 and onwards. As a transition period applies to publicly traded trusts that existed prior to November 1, 2006, the new tax is not expected to apply to the Fund until January 1, 2011.

Future income taxes are recorded on the temporary differences arising between the accounting and tax bases of balance sheet assets and liabilities. Historically the Fund had been exempt from recognizing future income taxes associated with temporary differences.

The impact on the Fund's consolidated financial statements was to record a future income tax expense of nil (2007 – \$176,000) and \$116,000 (2007 – \$2,999,000) for the three and nine months ending September 30, 2008 and 2007 respectively, and a corresponding future income tax liability. The future income tax liability arises mainly as a result of the Fund recording, in the current year, its cumulative share of the temporary differences between the accounting and tax bases of the BP Rights owned by the Partnership generated since the inception of the Fund. This additional expense had no impact on the Fund's cash flow for the year.

10. Subsequent event:

On September 22, 2008, the Toronto Stock Exchange ("TSX") approved the Fund's notice of intention to make a normal course issuer bid. Purchases under the issuer bid commenced on October 1, 2008 and as of October 20, 2008, the Fund had acquired 72,900 units at an average price of \$9.10. The issuer bid will terminate on September 30, 2009 or such earlier date that the Fund has acquired the maximum number of units under the issuer bid. The Fund will pay the market price at the time of acquisition for any units purchased through the facilities of the TSX and all units acquired under the issuer bid will be cancelled.