
ARCTIC GLACIER INCOME FUND

ARCTIC GLACIER ANNOUNCES TAX DEFERRAL RATE OF 38.4% FOR 2005

WINNIPEG, February 28, 2006 – Arctic Glacier Income Fund (TSX:AG.UN) today announced the return of capital allocation for distributions in 2005 for Canadian residents is 38.4 percent. The return of capital portion provides holders of trust units with significant tax deferral opportunities.

The Fund distributed \$1.09540 per unit in 2005, comprised of \$0.42064 tax deferred return of capital and \$0.67476 other taxable income. The detailed tax allocation of each distribution in 2005 is provided in the attached table and is also available on the Fund's website at www.arcticglacierinc.com.

Distributions paid to U.S. residents during 2005 are comprised of (in Canadian dollars) \$0.45559 US source interest income, \$0.30728 Canadian source interest income and \$0.33253 tax deferred return of capital. The detailed tax allocation of each distribution in 2005 to U.S. residents is available on the Fund's website.

Holders of units who are non-residents of Canada will be subject to withholding taxes in respect of any distributions by the Fund.

Arctic Glacier Income Fund, through its operating company, Arctic Glacier Inc., is a leading producer, marketer and distributor of high-quality packaged ice in North America under the brand name of Arctic Glacier[®] Premium Ice. Arctic Glacier operates 26 production plants and 41 distribution facilities across Canada and the central, midwest and northeastern United States servicing more than 53,000 retail accounts.

Arctic Glacier Income Fund trust units are listed on the Toronto Stock Exchange under the trading symbol AG.UN. There are 27.9 million trust units outstanding.

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Contact Information

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2005 Cash Distribution Summary for Income Tax Purposes

The following chart summarizes the distributions of the Fund per trust unit and tax treatment to residents of Canada for the 2005 taxation year:

| Record Date | Payment Date | Dividend | Other Taxable Income | Return of Capital | Total |
|--------------------|---------------------|-----------------|-------------------------------------|----------------------------------|------------------|
| January 31, 2005 | February 15, 2005 | - | \$0.05580 | \$0.03340 | \$0.08920 |
| February 28, 2005 | March 15, 2005 | - | \$0.05038 | \$0.03882 | \$0.08920 |
| March 31, 2005 | April 15, 2005 | - | \$0.05578 | \$0.03592 | \$0.09170 |
| April 29, 2005 | May 13, 2005 | - | \$0.05395 | \$0.03775 | \$0.09170 |
| May 31, 2005 | June 15, 2005 | - | \$0.05574 | \$0.03596 | \$0.09170 |
| June 30, 2005 | July 15, 2005 | - | \$0.05392 | \$0.03778 | \$0.09170 |
| July 29, 2005 | August 15, 2005 | - | \$0.05570 | \$0.03600 | \$0.09170 |
| August 31, 2005 | September 15, 2005 | - | \$0.05569 | \$0.03601 | \$0.09170 |
| September 30, 2005 | October 14, 2005 | - | \$0.05103 | \$0.04067 | \$0.09170 |
| October 31, 2005 | November 15, 2005 | - | \$0.06300 | \$0.02870 | \$0.09170 |
| November 30, 2005 | December 15, 2005 | - | \$0.06099 | \$0.03071 | \$0.09170 |
| December 30, 2005 | January 13, 2006 | - | \$0.06278 | \$0.02892 | \$0.09170 |
| 2005 Total | | - | \$0.67476 | \$0.42064 | \$1.09540 |
| <i>Allocation</i> | | <i>0.0%</i> | <i>61.6%</i> | <i>38.4%</i> | <i>100.0%</i> |

For tax purposes, cash distributions paid on January 13, 2006 are considered to be income in 2005.