

XS Cargo closes sale of 51% interest in XS Cargo

XS Cargo Income Fund
Shares Issued: 12,007,649
3 Jun 2011

XSC
Jun 2 Close 0.70
News Release

Mr. Michael McKenna reports

XS CARGO INCOME FUND ANNOUNCES COMPLETION OF PLAN OF ARRANGEMENT

XS Cargo Income Fund has completed the previously announced plan of arrangement, pursuant to which, among other things, XSC Canada Holdings Inc., a wholly owned indirect subsidiary of KarpReilly LLC, acquired the fund's 51-per-cent interest in each of XS Cargo Limited Partnership and XS Cargo GP Inc., for gross cash consideration of \$5,332,019. Pursuant to the arrangement, XSC Canada also acquired the remaining 49-per-cent interest in the LP and the GP held by Famous Brands (Edmonton) Inc., a company controlled by Michael McKenna, a director and the president and chief executive officer of the GP, which is the administrator of the fund and the general partner of the LP.

It is anticipated that the fund will be wound up and that the purchase price will be distributed to unitholders of the fund on a pro rata basis after the payment of all transaction and windup costs and expenses on or about June 15, 2011. Further information with respect to the amount to be distributed to unitholders and the timing thereof will be provided in due course.

We seek Safe Harbor.

Address: 15435 131 St, Edmonton, AB, T5V 0A4
Phone: 780 413 4296

Fax: 780 413 4297