



NEWS RELEASE

CCS INCOME TRUST ADDS LIONHEAD ENGINEERING ABANDONMENT EXPERTS TO ITS OFFERING OF SERVICES

Calgary, October 12, 2006 – CCS Income Trust (“CCS”) is excited to announce today it has completed the acquisition of the operating assets of Lionhead Engineering & Consulting Ltd. Lionhead brings to CCS quality staff which is recognized for its industry experience, innovative technology and excellent customer service.

“Lionhead is a highly disciplined group of well, pipeline and facility abandonment experts with a long-standing reputation and a dedicated team of highly qualified engineers,” said Dave Werklund, CCS’ President and Chief Executive Officer. “This acquisition demonstrates our strategic approach to growth. We can leverage existing business we already own and operate. Our site remediation, well servicing, landfill services and TRD facilities are an integral component to managing the abandonment process.”

Headquartered in Calgary, Alberta, Lionhead specializes in providing engineering and project management services for the final phase of the oilfield lifecycle. This includes well and pipeline abandonment, facility decommissioning, inactive well management and regulatory compliance services. For the trailing twelve months ending June 30, 2006, Lionhead reported unaudited revenues of approximately \$14.7 million and a normalized operating margin of approximately 23 per cent.

The purchase price for the assets is approximately \$10.3 million; Consideration consists of \$7.8 million of cash and 71,500 CCS Income Trust units (“Trust Units”). Trust Units issued are to be held in escrow and released over the next three years.

“Becoming part of the CCS family is a natural fit for Lionhead,” said President Kary Cuthill. “Our vision, mission and values are closely connected and together, we can achieve that vision of becoming a global leader in the environmental and energy service sectors.”

Lionhead’s expertise in regulatory compliance is a valuable asset for CCS’ customers as those regulations evolve and become more stringent. Lionhead has built its business helping clients manage the regulatory process.

“This acquisition expands CCS’ offering to include well abandonment, pipeline decommissioning and inactive well management,” said Werklund. “This provides us with new growth markets and provides additional service offerings to our existing customer base. I am excited to work with Lionhead’s talented staff.”

CCS Income Trust (TSX: CCR.UN) is a recognized industry leader providing integrated and environmentally responsible solutions along with other complementary energy services. Headquartered in Calgary, Alberta, CCS provides a diverse number of services across four divisions. CCS Energy Services provides oilfield waste treatment, recovery and disposal. The second division, HAZCO Environmental Services, provides integrated remediation, waste management and decommissioning solutions. The third division, Concord Well Servicing, manages well completions, workovers and abandonments utilizing a fleet of 140 service rigs. The CCS Energy Marketing division provides crude oil and condensate marketing services to CCS Energy Services and third parties.

This press release contains certain statements that are not historical in nature and are forward-looking statements. These forward-looking statements include statements relating to the Trust's plans, strategies, objectives, expectations, intentions and resources which are not guarantees as to the Trust's future results since there are inherent difficulties in predicting future results. When used throughout this press release, the words "anticipate," "expect," "project," "believe," "estimate," "forecast," "intends," and similar expressions identify forward-looking statements, which include statements relating to pending and proposed projects and business activities. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions and, in the case of pending and proposed projects, risks relating to design and construction, regulatory processes, obtaining financing and performance of other parties, including partners, contractors and suppliers. Accordingly, actual results could differ materially from those expressed or implied in forward-looking statements.

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