

NEWALTA

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NEWS RELEASE*For Immediate Release:**TSX Trading Symbol: NAL.UN***Newalta Income Fund Announces October Distribution**

CALGARY, Alberta, Canada, October 17, 2005 – Newalta Income Fund (“Newalta”) today announced that it has declared a cash distribution of 15 cents per trust unit for the month of October 2005, payable on November 15, 2005, to all unitholders of record on October 31, 2005. The ex-distribution date is October 27, 2005.

Newalta’s DRIP provides eligible unitholders with the opportunity to reinvest their monthly distribution to acquire additional trust units at a purchase price equal to 95% of the average market price. The deadline for completing and delivering enrollment forms to Valiant Trust Company is 3:00 pm (MST) on the business day immediately preceding the record date.

Based on the October 17, 2005 closing price of \$20.56 per trust unit, the October distribution represents an annualized cash-on-cash yield of approximately 8.8%.

Newalta Income Fund is an open-ended trust that maximizes the inherent value in certain industrial wastes through recovery of saleable products and recycling, rather than disposal. Through an integrated network of 44 state-of-the-art facilities, Newalta delivers world-class solutions to a broad customer base of national and international corporations, in a range of industries, including the automotive, forestry, pulp and paper, manufacturing, mining, oil and gas, petrochemical, and transportation services industries. With a track record of profitable growth and environmental stewardship, Newalta is focused on leveraging its position in new service sectors and geographic markets from coast to coast.

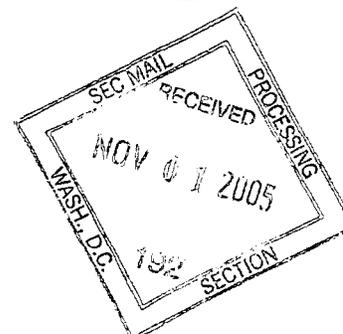
- 30 -

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A handwritten signature in black ink, appearing to be "JLS" followed by a date "11/3".