

Distributions History - 2006

			Taxable portion	Non-taxable portion
Record date	Payment date	Distribution per Unit	Other investment income	Return of capital
		\$	\$	\$
February 28, 2006	March 15, 2006	0.07030	0.06960	0.00070
March 31, 2006	April 17, 2006	0.07290	0.07217	0.00073
April 30, 2006	May 15, 2006	0.07290	0.07217	0.00073
May 31, 2006	June 15, 2006	0.07290	0.07217	0.00073
June 30, 2006	July 17, 2006	0.07290	0.07217	0.00073
July 31, 2006	August 15, 2006	0.07290	0.07217	0.00073
August 31, 2006	September 15, 2006	0.07290	0.07217	0.00073
September 30, 2006	October 16, 2006	0.07290	0.07217	0.00073
October 31, 2006	November 15, 2006	0.07290	0.07217	0.00073
November 30, 2006	December 15, 2006	0.07290	0.07217	0.00073
December 31, 2006 ⁽¹⁾	January 15, 2007	0.07290	⁽¹⁾	⁽¹⁾
		0.72640	0.71913	0.00727
			99%	1%

(1) This distribution will be included in the Fund's taxable income for the 2007 taxation year and is not included in the total

Tax treatment

Monthly Cash Distributions | RRSP, RRIF, or DPSP | Tax Information for U.S. Residents and Other Non-Residents of Canada

The following summary is intended to assist individual Canadian resident unitholders of Jazz Air Income Fund (the "Fund") with respect to the treatment of cash distributions received from the Fund for Canadian income tax purposes.

For all other types of Canadian taxpayers (i.e. corporations, partnerships, trusts, etc.), please consult a tax and/or financial advisor with respect to the Canadian tax treatment of cash distributions received from the Fund.

For U.S. and other non-resident unitholders, please refer to the special section below, entitled "Tax Information for U.S. Residents and Other Non-Residents of Canada".

The information that follows is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in the Fund's units. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Fund's units will vary depending on the unitholder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any unitholder of the Fund. Unitholders should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Fund's units based on their particular circumstances.

Monthly Cash Distributions:

The distributions from the Fund may generally consist of ordinary income (including interest income), and/or return of capital components. The proportion of the distributions attributable to each component (ordinary income and return of capital) may vary significantly over time. Consequently, the composition of the distributions appearing in the above chart may not be an indication of the

composition of future distributions. While Return of capital does not give rise to immediate taxation, it reduces the adjusted cost base (the cost for tax purposes) of the units. If a unitholder's adjusted cost base in its units of the Fund becomes negative, the unitholder will be deemed to have realized a capital gain from the disposition of its unit equal to such negative adjusted cost base, and the unitholder's adjusted cost base in respect of its unit will then be nil.

Units held within an RRSP, RRIF, or DPSP:

If the Fund units are held within an RRSP, RRIF or DPSP, the amount of the cash distributions received from the Fund will not be taxable to the individual Canadian resident unitholder.

Units held outside of an RRSP, RRIF or DPSP:

Individual Canadian resident unitholders, who hold their units outside of an RRSP, RRIF or DPSP through a broker or other intermediary and who have received cash distributions during a particular calendar year, will receive a "T3 Supplementary" slip directly from their broker or intermediary, not from the Fund. Unitholders who are resident in the province of Quebec on December 31 of the particular calendar year will also receive a Relevé 16 slip from their broker or intermediary. The T3/Relevé 16 slips will provide sufficient detail as to the taxable portion of the cash distributions to the individual Canadian resident unitholders.

Tax Information for U.S. Residents and Other Non-Residents of Canada:

Distributions paid to unitholders who are non-residents of Canada for Canadian income tax purposes are normally subject to a withholding tax of 25% of the taxable amount of the distribution (i.e. ordinary income, including interest), as required by Canadian income tax laws, unless a lower percentage is prescribed by a reciprocal tax treaty in effect between Canada and the non-resident's country of residence. For example, for individual unitholders who are residents of the U.S., the reciprocal tax treaty between Canada and the U.S. prescribes a reduction of the withholding tax rate to 15% on the taxable amount of a distribution received from a trust. Amounts, if any, designated by the Fund as taxable capital gains in respect of distributions to non-resident unitholders may be subject to withholding tax. Please note that there is no withholding tax requirement on the portion of the distribution classified as a "return of capital".

Distributions paid to US resident unitholders by the Fund will be included in the gross income of such unitholders, as a dividend, to the extent paid out of current or accumulated earnings and profits, as determined under US federal income tax principles. Jazz Air LP has no compliance requirements in the United States and does not currently intend to compute its earnings and profits for US tax purposes.

Given the fact that the information above is not exhaustive of all possible Canadian and foreign tax considerations applicable to an investment in the Fund's units by a non-resident of Canada for Canadian tax purposes, such unitholders are encouraged to seek advice from a qualified tax advisor in their country of residence.