



AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: March 9, 2009

**AVENIR DIVERSIFIED INCOME TRUST PROVIDES BIO-DIESEL UPDATE AND
CONFIRMS MARCH 2009 DISTRIBUTION**

Calgary, Alberta – Avenir Diversified Income Trust (the "Trust" or "Avenir Trust") (TSX: AVF.UN) advises that in accordance with the plan outlined in its November 14th, 2008 press release, its wholly-owned subsidiary Elbow River Marketing Limited Partnership ("Elbow") has formally exited from the marketing of bio-diesel products. As of March 2009, all bio-diesel related inventory, contracts, tankage and tank car obligations have been sold or transferred and staffing requirements reduced.

In November 2008, Avenir Trust disclosed that the planned exit from bio-diesel marketing may result in up to an \$11 million charge to its financial statements. Based on recent events, the Trust now believes that the charge to its financial statements may be up to approximately \$40 million due to a significant increase in the provision for uncollectable accounts at Elbow. Elbow has been advised by one of its joint venture parties that the party's bank and equity holder have demanded payment from the party and are claiming 100% of the proceeds earned under the "Memorandum of Understanding" not just the party's proportionate share. In response, Elbow has today filed a lawsuit and an emergency motion for a preliminary injunction asking the court to require that all joint venture proceeds be paid into an escrow account or the registry of the court and not used, disbursed or commingled, and restraining the party's bank and equity holder from taking any action to obtain the funds except through court process, pending resolution of the parties' respective entitlement to the funds. Accordingly, despite having partially mitigated some of the bio-diesel wind-up costs originally anticipated Avenir Trust may be required to record a significantly larger estimated provision because of these recent events. Audited December 31, 2008, financial statements are scheduled to be released on or about March 27th, 2009 at which time Elbow is hopeful that more information will be available to make a more definitive assessment of the estimated provision.

Despite the negative impact of the large uncollectable accounts provision, the Trust continues to maintain a very strong balance sheet with estimated cash and working capital available for operations and investment of approximately \$60 million, exclusive of real estate mortgages, and not including undrawn credit lines of approximately \$45 million. The Oil and Gas Division of the Trust, although impacted by lower commodity prices, continues to operate at or around its targeted 3,300 BOE/d and is in the process of tying-in a high-impact development well in its Northeast British Columbia core area. Elbow's base LPG marketing business has had a strong first quarter 2009 on the back of 2009 presales and the best propane season in four years as part of Avenir.

Accordingly, the Trust is pleased to announce its March cash distribution will be \$0.083 per Trust Unit, consistent with the previous monthly distribution. The distribution will be paid on April 15, 2009, to unitholders of record on March 31, 2009. The ex-distribution date is March 27, 2009.

As noted above, the Trust will provide a further update on the bio-diesel situation, if more information is available in conjunction with the scheduled filing of its audited 2008 year-end financial statements on or around March 27th, 2009.

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The TSX Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: *Certain information set forth in this press release, including a discussion of future plans and operations and the estimated amount of the charge to its financial statements, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, many of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements. The estimated charge assumes that management's unaudited [preliminary] estimate of the amounts owing to it by the joint venture are accurate and that the Trust is unsuccessful in recovering such amounts from the joint venture party.*