

## AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: May 12, 2006

### AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES UNITHOLDER APPROVAL OF OILFIELD SERVICES REORGANIZATION AND CREATION OF NEW ESSENTIAL ENERGY SERVICES TRUST

**Calgary, Alberta** – (TSX: AVF.UN) Avenir Diversified Income Trust ("Avenir") is pleased to announce that it has received both Unitholder and Court approval to proceed with its previously announced plan of creating a new publicly traded oilfield services trust called Essential Energy Services Trust ("Essential Energy Trust" or the "New Trust"), to which it will convey the entire existing energy services division of Avenir.

The creation of the New Trust and the distribution of the trust units of the New Trust to existing Unitholders of Avenir will be accomplished through a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). Pursuant to the Arrangement, Unitholders of Avenir will receive one (1) trust unit of Essential Energy Trust for each two (2) trust units of Avenir held. Completion of the transaction is expected to occur on May 31, 2006. Accordingly, Avenir Unitholders of record on May 31, 2006 will be entitled to receive the trust units of Essential Energy Trust being distributed pursuant to the Arrangement. On May 31, 2006, (i) the certificates representing the new Essential Energy Trust will be distributed to Essential Energy trust unitholders; and (ii) the Avenir trust units will then trade on a basis which reflects the distribution of all of its energy services assets to Essential Energy Trust. Unitholders will not be required to complete a Letter of Transmittal or other document in order to receive the new Essential Energy trust units. Our transfer agent will receive instructions, on May 31, 2006, to deliver certificates representing the new Essential Energy trust units to all Unitholders of record on May 31, 2006, without any further action required on the part of the Unitholders. **All Unitholders should note that, if they have completed a trade prior to May 31, 2006, but the trade has not settled by May 31, 2006, they will not be entitled to receive the trust units of Essential Energy Trust.** We anticipate that the trust units of the New Trust will begin trading on the Toronto Stock Exchange under the symbol ESN.un on or about May 31, 2006.

After giving effect to the spin-out of Essential, in June, 2006, the distributions of Avenir will decrease from \$0.12 per trust unit per month to \$0.083 per trust unit per month (approximately 30%) and, accordingly, we anticipate that the trading price for trust units of Avenir will likely reduce by a corresponding amount. However, Unitholders of record of Avenir on May 31, 2006 will also receive one (1) trust unit of Essential Energy for each two (2) trust units of Avenir previously held, and Essential Energy Trust will pay approximately \$0.083 per trust unit per month in distributions as well. Accordingly, for each Avenir trust unit held prior to the spin-out, a Unitholder will receive an aggregate of \$0.1245 per month in distributions versus \$0.12 per trust unit before the spin-out. In aggregate, the combined distribution represents an increase of approximately 4% over the current monthly distribution.

For further information please contact:

Avenir Diversified Income Trust  
Suite 300, 808 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta T2P 1M9

Attention: William M. Gallacher  
Chief Executive Officer  
Telephone: (403) 237-9949 ext 223

-or-

Attention: Gary Dundas  
Chief Financial Officer  
Telephone: (403) 237-9949 ext 259

Essential Energy Services Trust  
Suite 1750, 800 - 6th Avenue SW  
Calgary, Alberta T2P 3G3

Attention: James Burns  
President and Chief Executive Officer  
Telephone: (403) 781-1968  
Cell: (403) 689-9949

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

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.*

*Not for Distribution to U.S. Newswire Services or for Dissemination in the United States.*

### **Forward-Looking Statements**

*Certain information set forth in this press release, including a discussion of future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the ability of Avenir to obtain all required approvals to proceed with the proposed transaction on a timely basis, 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.*