



# AVENIR DIVERSIFIED INCOME TRUST

## Avenir Diversified Income Trust Posts Second Quarter 2005 Results

August 15, 2005, 2005 News Release

AVENIR DIVERSIFIED INCOME TRUST (the "Trust", TSX: AVF.UN) is pleased to announce the financial and operational results for the three and six months ended June 30, 2005 and to announce they have filed the Management Discussion and Analysis and Unaudited Consolidated Financial Statements for the three and six months ended June 30, 2005 on SEDAR. An electronic copy of these documents may be obtained on the Trust's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### Second Quarter 2005 FINANCIAL HIGHLIGHTS

For the periods ended	Three months Ended June 30		Six months Ended June 30	
	2005	2004	2005	2004
<b>FINANCIAL</b>				
Gross Revenue	\$67,921,161	\$3,653,701	\$84,197,436	\$6,144,070
Net Revenue	\$65,949,359	\$2,811,502	\$74,929,157	\$4,965,820
Funds From Operations (FFO) <sup>1</sup>	\$9,351,360	\$1,438,630	\$16,630,304	\$2,756,701
FFO Per Unit <sup>1</sup> - Basic	\$0.38	\$0.45	\$0.88	\$0.92
Distributions	\$7,953,581	\$847,008	\$12,143,662	\$1,601,977
Distributions Per Unit - Basic	\$0.33	\$0.26	\$0.65	\$0.53
Distribution Payout Ratio <sup>2</sup>	85%	59%	73%	58%
Net Income (loss)	\$2,744,345	\$(145,206)	\$2,140,463	\$278,159
Net Income (loss) Per Unit - Basic	\$0.11	\$(0.04)	\$0.11	\$0.09
Total Assets	\$317,216,981	\$66,771,292	\$317,216,981	\$66,771,292
Working Cap. (Net Debt) including mortgages <sup>1</sup>	\$(42,210,037)	\$(10,166,806)	\$(42,210,037)	\$(10,166,806)
Wtd. Avg. Units Outstanding - Basic	24,441,653	3,228,639	18,815,761	2,999,564
Units Outstanding (incl. escrowed units)	25,011,258	7,199,303	25,011,258	7,199,303
<b>OPERATING</b>				
Production				
Oil and NGL's – bbls per day	1,609	304	1,623	281
Gas – Mcf per day	9,819	2,507	8,503	2,523
Total BOE <sup>3</sup> per day	3,246	722	3,040	701
Average Pricing				
Oil & NGL (\$/Bbl) before hedging <sup>5</sup>	\$47.28	\$41.87	\$45.85	\$40.67
Oil & NGL (\$/Bbl) after hedging <sup>5</sup>	\$42.28	\$36.21	\$42.20	\$35.58
Natural Gas (\$/Mcf)	\$7.06	\$6.56	\$7.06	\$6.47
Average Price Per BOE <sup>3</sup> before hedging <sup>5</sup>	\$44.01	\$40.50	\$43.65	\$39.71
Average Price Per BOE <sup>3</sup> after hedging <sup>5</sup>	\$41.65	\$38.11	\$41.71	\$37.67

<sup>1</sup> Funds from operations, Funds per unit, net back, and working capital (net debt) are not recognized measures under Canadian generally accepted accounting principles (GAAP). Funds from operations is calculated by taking net income and adding back non-cash balances such as depletion, depreciation and amortization, asset retirement obligation accretion, gain on sale of real estate properties, stock based compensation expense, unrealized (gain) loss on financial instruments and future income tax recovery. Working capital (net debt) is calculated by taking current assets less current liabilities including mortgages (upon mortgage maturity it is the Trust's intention to renew the mortgages on a long term basis at or below current rates) and long-term debt. Management believes that these measures are useful supplemental measures to analyze operating performance as they demonstrate the Trust's ability to generate the Funds from operations necessary to fund future distributions and capital investments. The Trust's method of calculating these measures may differ from other issuers, and accordingly, they may not be comparable to measures used by other issuers. Investors should be cautioned that "Funds from operations" and "Funds per unit" should not be construed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

<sup>2</sup> Distribution Payout Ratio is calculated by dividing the Distributions by the Funds from operations.

<sup>3</sup> Natural Gas conversion ratio of 6:1

<sup>4</sup> Certain comparative figures for prior quarters have been retroactively restated to incorporate the fifteen-for one unit consolidation and the retroactive application of the changes in accounting policies for transportation charges, as described in notes 3 and 20 to the consolidated financial statements for the year ended December 31, 2004.

<sup>5</sup> Hedging in this situation means the realized gain or loss on physical delivery contracts and financial commodity fixed price transactions.

## REVIEW OF FINANCIAL RESULTS

The Trust was very busy completing and integrating a number of acquisitions over the first half of 2005. Due to the seasonal nature of the energy services division and its Elbow River natural gas marketing division funds from operation profile, the second quarter of the year will tend to be the Trust's weakest quarter. Energy services is impacted by weather and spring breakup and marketing revenues decline in the spring shoulder months after busy winter sales season. However, taking into account an exceptionally wet June and start-up requirements at Elbow River, the Trust had a solid second quarter with increases in total assets, funds from operations, net income and distributions.

The Trust had net income for the quarter ended June 30, 2005 of \$2,744,345 as strong profits were recorded across each of the oil and gas, energy services and financial services divisions. Net Income is up 1,990% over the \$(145,206) net income for the quarter ended June 30, 2004. Net income for the six months ended June 30, 2005 was \$2,140,463 or \$0.11 per unit versus \$278,159 or \$0.09 per unit for the first six months of 2004. The six month 2005 net income figures were impacted by the recognition of \$5,194,055 in unrealized loss on financial instruments. In its oil and gas division, consistent with most oil and gas firms of the Trust's size, the Trust does not follow hedge accounting for those contracts due to the onerous monitoring and regulatory requirements.

The funds from operations for the second quarter 2005 were \$9,351,360 or \$0.38 per unit versus \$1,438,630 or \$0.45 per unit for the second quarter 2004. For the six months ended June 30, 2005, funds from operations were \$16,630,304 compared to \$2,756,701 for the same period in 2004, a 503% increase. The increase in the funds from operations were primarily the result of the growth in the Trust's business units, including: oil and gas acquisitions, high commodity prices, the energy services acquisitions, additional financial services contracts, and the initial inclusion of the Western Spirit real estate acquisition at the end of March 2004.

The Trust distributed \$7,953,581 or \$0.33 per unit for the quarter ended June 30, 2005 versus \$847,008 or \$0.26 per unit distributed for the quarter ended June 30, 2004. Since the second quarter of 2004, the Trust has increased the monthly distribution approximately 21% over 2 separate increases. For the quarter ended June 30, 2005 the payout ratio was 85% of funds from operations. For the six months ended June 30, 2005 the payout ratio was 73% versus 58% for the first six months of 2004 and a target payout ratio of 75% to 80%.

### a. OIL & GAS OPERATIONS

The second quarter of the year is typically the most challenging for oil and gas operations due to the inability to mobilize equipment during spring break-up. The second quarter of 2005 was particularly difficult because of the record breaking rainfall in the month of June that further delayed and complicated field operations. Production increases over the first quarter of 2005 resulted primarily from the inclusion of Val Vista properties for the full quarter. While oil and Ngl production was down negligibly (less than 2%) compared to the first quarter at 1,609 BOE per day, gas production increased from 7.2 Mmcf per day to 9.8 Mmcf per day. On a BOE basis production averaged 3,246 BOE per day in the second quarter compared to 2,832 in the first, an increase of 14.6%. Increases from the inclusion of Val Vista were offset by temporarily shut-in production at several properties. Production for the quarter was negatively impacted by about 189 BOE per day due to ongoing facility constraints at Noel in northeast British Columbia. Early July this production was back on stream and is expected to continue without further constraint for the foreseeable future. Production for the quarter was further impacted by 100 BOE per day due to weather related access problems in the Shekilie area in northwest Alberta preventing installation of artificial lift on two wells. One of these artificial lift installations is scheduled for August while timing for the second has not been determined. Despite the difficult conditions, required maintenance of oil facilities acquired in December of 2004 was carried out in June (continuing beyond quarter end into July) resulting in temporarily increased operating expense and a further production curtailment of 15 BOE per day average over the quarter.

During the second quarter the Trust added key operational and technical staff to the Oil and Gas Operations group. Assessment of numerous opportunities has led to the initiation of re-completion and reactivation programs in southern Alberta and southwest Saskatchewan. Plans are in place to expand these programs and commence drilling programs starting late in the third quarter or early in the fourth on the opportunities identified to date.

Subsequent to the end of the quarter, effective August 4, 2005, the Trust completed the acquisition of Makah Energy Corp. This acquisition has added approximately 650 BOE per day of predominantly sweet gas production that is focused in the Trust's central Alberta core area. Total Proved plus Probable reserves are approximately

1.5 million BOE. The Makah assets are largely operated with high working interests and excellent upside drilling opportunities that the Trust is evaluating to either drill or farm-out. Consideration for the acquisition was \$29.8 million less net debt plus transaction costs of approximately \$4.0 million. After allowing for the value of undeveloped land, proprietary 3D seismic and a pending transaction to farm-out a portion of Coal Bed Methane rights, the Trust acquired proved plus probable reserves at a cost of \$17.00 per BOE or at a production cost of \$37,000 per producing BOE.

## **b. ENERGY SERVICES OPERATIONS**

The second quarter was extremely busy and also challenging for the energy services division of the Trust. The Trust completed the acquisition of four companies during the second quarter for total consideration of \$29,450,000 less debt and working capital. Overall results exceeded expectations despite the challenging weather and the integration of four new businesses. The Cascade Services Partnership enjoyed another strong quarter despite the interruption of spring break-up.

Millard Oilfield Services (91) ("Millard") – Acquired April, 2005. Millard provides well servicing to the oil and gas industry from its operational base in Medicine Hat, Alberta and owns five free-standing mobile service rigs, ideally suited to the southeast Alberta area. Clyde Moch, previous part-owner, remains with Millard in the capacity of President of Millard Oilfield Services Partnership.

Endless Tubing Services Ltd. ("Endless") – Acquired April 2005. Endless provides coiled tubing services to the oil and gas industry with a fleet of nine custom built mobile coiled tubing units. Endless is also based in Medicine Hat, Alberta and will now operate under the name Endless Tubing Services Partnership. Mr. Steve Sykes, previously operations manager for Endless has assumed the role of General Manager.

Cardinal Well Services Ltd. ("Cardinal") – Acquired May, 2005. Cardinal provides essential oil well services to the oil and gas industry with a fleet of nine rod rig "flush-by" units used to service pumping oil wells. Cardinal operates in southern Alberta out of Brooks and Taber and in central Alberta from Red Deer and Drayton Valley. Troy Fisher, previous General Manager, C.O.O. and Part-Owner of Cardinal, remains with Cardinal in the capacity of President of Cardinal Well Services Partnership to manage the day to day operations.

D&G Oil/Gas Services ("D&G") – Acquired June, 2005 through Cascade Services Partnership. D&G will continue to operate under the D&G name but operations have been integrated with Cascade. D&G provides hot-oiling, pressure truck and steaming services to the oil and gas industry in northeast British Columbia, from its operational base in Fort St John. The acquisition of D&G expands the fleet of vehicles within Cascade to 50 and expands the range of services offered by Cascade. The acquisition will provide greater efficiency and will allow Cascade to compete for larger contracts.

Spring break-up was followed by record breaking rainfall in the southern Alberta area that was the main operational focus for the group's newly acquired southern Alberta companies. The rainfall greatly reduced utilization for the month of June, but a return to more normal weather has resulted in a strong recovery of utilization rates in July and August. The acquisitions were accretive to the Trust's funds from operations and are an important step in the development of the Energy Services segment of the Trust's Energy Business Unit. The acquisitions of Millard, Endless, Cardinal and D&G continue to focus the Trust's Energy Service division on essential production services, and extend its geographic reach throughout Alberta, northeast British Columbia and Saskatchewan.

## **II. FINANCIAL SERVICES BUSINESS UNIT REVIEW**

### **i. Financial Services Contracts**

In January 2003, Avenir Financial acquired its first financial services contract with an affiliate of a financial services provider, RentCash Inc. ("RentCash"), to provide funding of \$600,000 for Rentcash end users. Rentcash provides cash advance, cheque cashing and payday loan services. The Trust has continued to grow its business with RentCash and has entered into contracts that totalled \$21.9 million at the end of June 2005. Subsequent to the quarter end the Trust entered into an additional \$1.5 million in contracts and expects to add additional financial services contracts throughout 2005.

## **ii. Elbow River Marketing Limited Partnership**

On April 1, 2005, the Trust closed the agreement to acquire all of the assets of Elbow River Resources Ltd. ("Elbow River"), a wholesale broker, transporter and supplier of butane to major refineries and propane to major retailers in the United States, Canada and Mexico. The second quarter, traditionally the slowest quarter for Elbow River, was somewhat lower than what was budgeted for funds from operations as the Trust worked to integrate personnel, credit, and business relationships into the new entity. In addition, the high price crude environment, which has led to fuel surcharges, freight rate increases and higher credit requirements, has brought customer uncertainty and generally customer inactivity during the second quarter. Elbow River is on budget for July and well positioned going into the traditionally stronger fall and winter season with inventory builds and a sizable winter tank car fleet leading to higher than historical winter pre-sale levels. Also, the specialty products division, and more specifically the ethanol market, has exceeded expectations and continues to show strong growth.

## **III. REAL ESTATE BUSINESS UNIT REVIEW**

At June 30, 2005 the Trust's real estate portfolio consisted of five properties with approximately 400,000 square feet of leasable area. The properties are located in Toronto, London (Ontario), Calgary, Fort Saskatchewan and Edmonton (Alberta). A property management company, Tonko Realty Advisors, administers the day to day operations of the Trust's real estate business unit. Currently the portfolio is 93% leased. Subsequent to the quarter end, the Trust has re-mortgaged two of its buildings at rates approximately 2% less than the previous mortgages and this interest savings will be reflected in future period's funds from operations. The Trust continues to evaluate opportunities, but has been reluctant to undertake acquisitions at the historically low cap rates in the current environment.

## **OUTLOOK**

During the second quarter of 2005, the Trust continued to make positive strides both operationally and on the acquisition front. Following the addition of James Burns, C.O.O. and Grant Leslie, V.P. Operations, of the Energy Division, the Trust stream-lined operations both in the oil and gas division and the energy services division.

In our oil and gas division, the recent acquisition of Makah Energy Corp. brings our production to approximately 3,950 BOE per day, up from the Q2 average of 3,246 BOE per day. As we outlined in our first quarter report, the Trust has earmarked \$5.0 to \$6.0 million of development opportunities which were chosen out of an inventory of approximately \$50 million of development drilling and re-completion projects, for the balance of 2005. In order to initiate this development program, the Trust has added key technical personal to carry out these operations. Within the opportunities that the trust has identified, there are a number of projects which do not fit the risk profile of the Trust, but are very good farm-out candidates. This farm out program is currently being reviewed.

We also continue to be active in our energy services division, with the acquisition of four production services companies during the quarter. The Energy Services division has grown to in excess of \$48 million of assets to date.

The integration of the Elbow River Resources Ltd. acquisition also occurred during the second quarter. This is, historically, Elbow River's slowest quarter. We feel that with the traditionally strong fall and winter season before us, Elbow River will be a strong contributor to the Trust's funds from operations going forward.

By far the Trust's largest acquisition, which was announced on July 11, 2005 was in the Financial Services business unit. The Trust has agreed to acquire the joint venture company that manages the EnerVest Group of Funds. This acquisition does not only further diversify our Financial Services business unit; it also adds an exciting new platform for growth. We believe that there is a good opportunity for year-over-year organic growth within the existing Funds' asset base, as well as external growth opportunities. This acquisition is scheduled to close in September 2005.

In keeping with the Trust's business model and once the integration of our first quarter acquisitions were complete, the Trust announced a 5% increase in distributions for the month of July 2005, payable on August 15, 2005. This was our 5th distribution increase since our inception and brought the total percentage distribution increase to 65% since the Trust's debut in January 2003.

We are very pleased to welcome Mr. William E. (Bill) Patterson to our Board of Directors. Mr. Patterson brings added financial strength to the board, with a Chartered Accountant designation and over 30 years of experience. His background includes working as the Vice President Finance and CFO for Energy North Inc. for five years and as a tax partner at PriceWaterhouse Coopers. Mr. Patterson will head up the Audit Committee for the Trust.

Looking ahead, the Trust's disciplined approach to acquisitions and prudent deployment of capital on internal projects will continue as the Trust delivers sustainable distributions and accretive growth on a per unit basis.

For additional information on the Trust, including the Annual Information Form (AIF), please go to the company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or the Trust's website at [www.avenirtrust.com](http://www.avenirtrust.com).

Submitted on behalf of the Board of Directors by:

William M. Gallacher  
President & CEO

Gary Dundas  
Vice President Finance & CFO

***Forward Looking Statements***

Except for historical financial information contained herein, the matters discussed in this document may be considered forward-looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties; actual results could differ materially from those indicated by such forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) risks related to the exploration and development of oil and gas properties, (iv) the impact of price fluctuations and the demand and pricing for oil and natural gas, (v) the seasonal nature of the business, (vi) start-up risks, (vii) general operating risks, (viii) dependence on third parties, (ix) changes in government regulation, (x) the effects of competition, (xi) dependence on senior management, (xii) financial condition of real estate tenants and financial services counterparts, (xiii) impact of the Canadian economic conditions or the demand for real estate leasing opportunities, (xiv) fluctuations in currency exchange rates and interest rates.

**Avenir Diversified Income Trust**

**CONSOLIDATED BALANCE SHEETS**

(unaudited)

	June 30, 2005	December 31, 2004
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	—	327,217
Restricted cash	161,565	160,227
Accounts receivable and prepaid expenses	36,828,524	9,847,972
Inventory	11,590,655	—
Risk management asset	—	1,147,127
	<b>48,580,744</b>	<b>11,482,543</b>
<b>Property and equipment</b>	<b>166,360,778</b>	<b>120,822,688</b>
<b>Investment in financial services contracts</b>	<b>21,974,597</b>	<b>12,472,055</b>
<b>Intangibles</b>	<b>22,501,335</b>	<b>2,356,422</b>
<b>Goodwill</b>	<b>57,799,527</b>	<b>8,181,145</b>
	<b>317,216,981</b>	<b>155,314,853</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Current</b>		
Bank indebtedness	38,822,890	31,475,000
Accounts payable and accrued liabilities	29,514,114	9,470,009
Distributions payable	2,651,193	1,237,182
Deferred revenue	200,439	230,805
Due to non-controlling interest owner	87,586	66,667
Risk management liability	4,034,512	—
Current portion of capital lease obligations	—	32,459
Current portion of long-term debt	782,535	693,888
Current portion of mortgages	6,392,288	5,024,920
	<b>82,485,557</b>	<b>48,230,930</b>
<b>Long-term debt</b>	<b>782,102</b>	<b>911,775</b>
<b>Mortgages</b>	<b>7,523,122</b>	<b>7,108,761</b>
<b>Asset retirement obligation</b>	<b>9,222,269</b>	<b>8,033,301</b>
<b>Future income taxes</b>	<b>13,745,750</b>	<b>9,626,982</b>
<b>Non-controlling interest</b>	<b>956,815</b>	<b>259,755</b>
<b>Commitments</b>		
<b>Unitholders' equity</b>		
Unitholder capital	215,615,042	84,662,250
Contributed surplus	730,487	322,064
Accumulated earnings	6,824,651	4,684,187
Accumulated cash distributions	(20,668,814)	(8,525,152)
	<b>202,501,366</b>	<b>81,143,349</b>
	<b>317,216,981</b>	<b>155,314,853</b>

**Avenir Diversified Income Trust**

**CONSOLIDATED STATEMENTS OF  
OPERATIONS AND ACCUMULATED EARNINGS**

(unaudited)

	Three months ended		Six months ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	\$	\$	\$	\$
<b>REVENUE</b>				
Oil and gas revenue	12,497,725	2,557,212	23,257,605	4,882,560
Oil and gas transportation costs	(200,328)	(53,849)	(309,029)	(75,757)
Royalties, net of ARTC	(1,771,474)	(402,049)	(3,765,195)	(716,192)
Unrealized gain (loss) on financial instruments	363,167	(386,301)	(5,194,055)	(386,301)
	<b>10,889,090</b>	1,715,013	<b>13,989,326</b>	3,704,310
Real estate revenue	695,355	865,182	1,385,658	865,182
Energy services revenue	6,617,462	—	10,821,513	—
Financial services revenue	47,675,036	227,092	48,427,938	382,364
Interest and other revenue	66,341	4,215	76,287	13,964
Gain on sale of property and equipment	6,075	—	228,435	—
	<b>65,949,359</b>	2,811,502	<b>74,929,157</b>	4,965,820
<b>EXPENSES</b>				
Oil and gas operating	3,689,805	565,249	6,402,344	954,811
Real estate operating	185,131	433,166	407,180	433,166
Energy services operating	3,680,501	—	5,693,445	—
Financial services operating	45,278,305	—	45,290,305	—
General and administrative	3,017,370	524,638	4,468,934	929,826
Foreign exchange	(29,632)	—	(29,632)	—
Short-term interest and bank fees	364,124	60,384	778,629	127,699
Long-term interest	182,088	225,899	408,142	225,899
Capital taxes	206,254	11,310	253,549	11,310
Depletion, depreciation and amortization	6,426,297	1,094,113	10,507,451	1,935,101
Asset retirement obligation accretion	199,057	41,949	370,046	69,849
	<b>63,199,300</b>	2,956,708	<b>74,550,393</b>	4,687,661
Income (loss) before income tax and non-controlling interest	2,750,059	(145,206)	378,764	278,159
Future income tax recovery	—	—	1,864,800	—
Net income (loss) before non-controlling interest	2,750,059	(145,206)	2,243,564	278,159
Non-controlling interest	(5,714)	—	(103,101)	—
Net income (loss) for the period	2,744,345	(145,206)	2,140,463	278,159
Accumulated earnings, beginning of the period	4,080,306	1,093,101	4,684,188	669,736
Accumulated earnings, end of the period	<b>6,824,651</b>	947,895	<b>6,824,651</b>	947,895
Net income (loss) per unit				
Basic	0.11	(0.04)	0.11	0.09
Diluted	0.08	(0.04)	0.08	0.09

## Avenir Diversified Income Trust

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended		Six months ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net income for the period	2,744,345	(145,206)	2,140,463	278,159
Add (deduct) non-cash items:				
Gain on sale of property and equipment	(6,075)	—	(228,435)	—
Non-cash general and administrative	345,189	61,473	408,423	87,291
Depletion, depreciation and amortization	6,426,297	1,094,113	10,507,451	1,935,101
Asset retirement obligation accretion	199,057	41,949	370,046	69,849
Unrealized (gain) loss on financial instruments	(363,167)	386,301	5,194,055	386,301
Future income tax recovery	—	—	(1,864,800)	—
Non-controlling interest	5,714	—	103,101	—
Funds from operations	9,351,360	1,438,630	16,630,304	2,756,701
Change in non-cash working capital	(17,179,439)	(700,549)	(17,374,182)	(297,701)
Cash provided by operating activities	(7,828,079)	738,081	(743,878)	2,459,000
<b>FINANCING ACTIVITIES</b>				
Issue of trust units, net of issue costs	—	26,380,126	118,286,431	26,380,126
Distributions to unitholders	(7,018,107)	(813,123)	(10,729,651)	(1,539,016)
Increase (decrease) in bank indebtedness	31,950,217	(8,155,000)	625,217	(4,505,000)
Increase in mortgages	1,900,000	—	3,915,000	—
Repayment of mortgages	(103,249)	(101,909)	(2,133,271)	(101,909)
Repayments of capital lease obligations	(16,391)	(15,135)	(32,459)	(29,971)
Increase in long-term debt	4,388	531,580	197,065	531,580
Repayment of long-term debt	(214,406)	—	(406,176)	—
Change in non-cash working capital	(305,668)	181,032	43,292	181,032
Cash provided by financing activities	26,196,784	18,007,571	109,765,448	20,916,842
<b>INVESTING ACTIVITIES</b>				
Purchase of Western Spirit Investments Ltd.	—	—	—	(2,918,687)
Purchase of Val Vista Energy Ltd.	(160,849)	—	(12,768,670)	—
Purchase of Eagle Oilfield Services Ltd.	—	—	(771,833)	—
Purchase of Elbow River	(51,852,069)	—	(52,616,448)	—
Purchase of Endless Tubing	(11,178,600)	—	(11,178,600)	—
Purchase of Millard	(7,775,852)	—	(7,775,852)	—
Purchase of Cardinal	(7,403,691)	—	(7,403,691)	—
Oil and gas property acquisitions	—	(10,053,357)	—	(11,697,446)
Oil and gas property disposals	65,910	(1,007)	140,230	1,233,365
Oil and gas development expenditures	(1,486,378)	(224,483)	(2,511,872)	(530,444)
Financial services development expenditures	(71,830)	—	(56,830)	—
Purchase of energy services assets	(4,209,638)	—	(5,525,370)	—
Purchase of other assets	(35,077)	(14,945)	(150,518)	(25,560)
Purchase of financial services contracts	(6,763,380)	(1,642,571)	(9,513,380)	(1,642,571)
Purchase of real estate properties	—	—	(2,915,290)	—
Proceeds on sale of real estate properties	—	—	3,718,794	—
Change in restricted cash	(681)	—	(1,338)	(338,950)
Changes in non-cash working capital	(2,771,207)	(209,080)	(18,119)	119,383
Cash used in investing activities	(93,643,342)	(15,627,216)	(109,348,787)	(19,282,683)
<b>Increase in cash and cash equivalents during the period</b>	<b>(75,274,637)</b>	<b>3,118,436</b>	<b>(327,217)</b>	<b>4,093,159</b>
Cash and cash equivalents, beginning of period	75,274,637	1,231,595	327,217	256,872
<b>Cash and cash equivalents, end of period</b>	<b>—</b>	<b>4,350,031</b>	<b>—</b>	<b>4,350,031</b>
<b>Cash interest paid</b>	<b>529,126</b>	<b>54,038</b>	<b>1,156,934</b>	<b>112,993</b>

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