

AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: May 18, 2006

AVENIR CLARIFIES TAX CONSEQUENCES OF ENERGY SERVICE SPIN-OFF FOR UNITED STATES UNITHOLDERS

Calgary, Alberta – (TSX: AVF.UN) Avenir Diversified Income Trust ("Avenir"), pursuant to the Plan of Arrangement dated April 12, 2006, and approved by the unitholders on May 11, 2006, will spin-out its existing oilfield services business into Essential Energy Services Trust ("EEST") effective May 31, 2006. The units of EEST will be distributed to existing holders of units of Avenir who will receive one (1) trust unit of EEST for each (2) Avenir units held.

For tax purposes, the spin-out of the Energy Services Division is similar to a special distribution in the form of units of EEST. The amount of the distribution received in respect of each Avenir unit held by an Avenir Unitholder that is an individual and is resident in the United States (a "US Unitholder") will be equal to the fair market value of the EEST units received by such US Unitholder. Although not binding on the Canada Revenue Agency or the Internal Revenue Service, Avenir's management is of the view that a reasonable approach to determining the fair market value of an EEST unit is to determine such value based on the initial trading price of an EEST unit, or the average trading price of such unit over a reasonable period of time following the initial trade date (say 2 or 3 days).

Similar to the tax treatment afforded its regular monthly distributions, US Unitholders should be subject to a total US and Canadian tax of 15% only on the non-return of capital portion of the distribution of EEST units assuming such US Unitholder is entitled to claim full foreign tax credits in respect of the Canadian withholding taxes paid. At this time it is not possible to determine either the amount of the distribution, because the fair market value of the EEST units cannot be determined until the EEST units begin trading on May 31, 2006, or the portion of the amount of such distribution that is a return of capital versus a dividend for US tax purposes until after Avenir's 2006 yearend. However, the value of the spin out will be equal to ½ of the initial trading price of the EEST unit (based on a 2 for 1 spin out ratio) and Avenir management estimates that 30 to 40% of the spin-out value will be return of capital. Based on this current information, management estimates the total Canadian and US tax payable by a US Unitholder will be approximately \$C0.50 to \$C0.65, depending on the trading price of the EEST units and Avenir's 2006 distribution profile.

The above information is provided in response to a number of unitholder questions surrounding the tax treatment of the EEST spin-out to Avenir's US unitholders. The above approximations are provided by Avenir management for information purposes only. Avenir unitholders should review their individual circumstances with their own financial and or tax advisors.

For further information please contact:

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

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

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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.