

Avenir Diversified Income Trust 2006 Income Tax Information

Calgary, Alberta – February 28, 2006

FOR IMMEDIATE RELEASE

Avenir Diversified Income Trust ("Avenir Trust" TSX: AVF.UN) today provides 2006 Tax information.

The information contained herein is based on Avenir's understanding of the Canadian Income Tax Act and is provided for general information purposes only. Unitholders should consult their tax advisors with respect to their particular circumstances.

Monthly Distributions:

Record Date	Payable Date	Distribution Amount/Unit	Return of Capital	Taxable Portion
December 30, 2005	January 16, 2006	\$0.12	\$0.00	\$0.12
January 31, 2006	February 15, 2006	\$0.12	\$0.00	\$0.12
February 28, 2006	March 15, 2006	\$0.12	\$0.00	\$0.12
March 31, 2006	April 17, 2006	\$0.12	\$0.00	\$0.12
April 28, 2006	May 15, 2006	\$0.12	\$0.00	\$0.12
May 31, 2006	June 15, 2006	\$0.12	\$0.00	\$0.12
June 30, 2006	July 17, 2006	\$0.083	\$0.00	\$0.083
July 31, 2006	August 15, 2006	\$0.083	\$0.00	\$0.083
August 31, 2006	September 15, 2006	\$0.083	\$0.00	\$0.083
September 29, 2006	October 16, 2006	\$0.083	\$0.00	\$0.083
October 31, 2006	November 15, 2006	\$0.083	\$0.00	\$0.083
November 30, 2006	December 15, 2006	\$0.083	\$0.00	\$0.083
Total declared		\$1.218	\$0.00	\$1.218

The regular monthly calculations have been completed on a cash basis, and therefore include the distributions declared by the Avenir Trust in December 2005 payable January 16, 2006, up to and including the November 2006 distribution payable December 15, 2006. Total 'regular' monthly distributions declared for this period totalled \$1.218 per unit.

2006 Canadian Unitholder Tax Information

Avenir Trust has determined that for Canadian unitholders, regular monthly distributions paid in 2006 are to be 100% taxable with no tax deferred return of capital (ROC).

Canadian unitholders holding their Avenir Trust investment in a Registered Retirement Savings Plan, Registered Retirement Income Fund or Deferred Profit Savings Plan should not report any income related to distributions on their 2006 income tax return. Unitholders holding their units outside such plans will receive a T3 Supplementary Information slip (T3), postmarked on or before March 31, 2007. Avenir Trust's Canadian unitholders who hold their units directly should receive a T3 from the Trust's transfer agent, Olympia Trust Company of Canada. Unitholders that hold their units through a broker or other



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intermediary should receive a T3 directly from their broker or intermediary and not from the transfer agent. Unitholders are to report the taxable portion of distributions as “**other income**” on their 2006 income tax return.

Distribution of Essential Energy Services Trust (“ESN.UN”) Units to those on record May 30, 2006:

The spin-out of Avenir’s Energy Services Division was similar to a special distribution in the form of units of ESN.UN. The amount of the distribution received in respect of each Avenir unit held by an Avenir unitholder was equal to the fair market value of the ESN.UN units received by such unitholder. The finalized fair market value of an ESN.UN unit was determined to be C\$8.89, and this becomes the cost base of each ESN.UN unit received in the spin-out. Please note that this final cost base is slightly different than the original preliminary estimate provided in our June 7, 2006 press release. Each Avenir unitholder, on the basis of receiving one ESN.UN unit for every two Avenir units held, effectively received a distribution equal to C\$4.445 (½ of \$8.89).

For Canadian Residents:

Of this ESN.UN special distribution:

43.5% or C\$1.935 is return of capital (reduces the cost base of your Avenir units)

56.5% or C\$2.51 is a capital gain and is subject to 2006 capital gains tax treatment

2006 U.S. Unitholder Tax Information

After consultation with its U.S. tax advisors, the Trust believes that for U.S. federal income tax purposes, the units of the Trust will more likely than not be properly classified as equity in a corporation, rather than as debt, and that dividends paid to its individual U.S. unitholders should therefore be treated as qualified dividends. As such, the regular distributions made during 2006, considered dividends, should qualify for the reduced rate of tax applicable to certain capital gains. However, this is not intended to be legal or tax advice to any particular unitholder, and therefore U.S. unitholders of the Trust should consult their own legal and tax advisors regarding their individual tax consequences.

Avenir Trust is currently determining the U.S. tax characteristics of the 2006 distributions for U.S. unitholders and will provide this information prior to March 31, 2007.

Avenir Trust is an income trust designed to provide sustainable distributions and growth from a diverse portfolio of operating assets in the sectors of energy, financial services and real estate. The resulting cash flow from these assets is distributed to unit holders on a monthly basis. The trust units of Avenir Trust trade on the TSX under the symbol AVF.UN. For further information on the Trust please go to our website at: www.avenirtrust.com.



AVENIR DIVERSIFIED INCOME TRUST

For further information contact:

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

Attention: William M. Gallacher or Gary H. Dundas
President and CEO Vice-President, Finance and CFO

Telephone: (403) 237-9949
Facsimile: (403) 237-0903

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.

Forward Looking Statements

Certain information regarding Avenir Diversified Income Trust set forth in this document, including management's assessment of the Trust's 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 the Trust's and 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, imperfection of reserve estimates, 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. The Trust's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward looking statements and accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward looking statements will provide what, if any benefits to the Trust.