



AVENIR DIVERSIFIED INCOME TRUST

Avenir Diversified Income Trust 2005 Income Tax Information

Calgary, Alberta – March 28, 2005

FOR IMMEDIATE RELEASE

Avenir Diversified Income Trust ("Avenir Trust" TSX: AVF.UN) today provides 2005 Tax information.

The calculations have been completed on a cash basis, and therefore include the distributions declared by the Avenir Trust in December 2004 payable January 17, 2005, up to and including the November 2005 distribution payable December 15, 2005. Distributions declared for this period totalled \$1.2985 per unit.

Record Date	Payable Date	Distribution Amount/Unit
November 30, 2005	December 15, 2005	\$0.1113
October 31, 2005	November 15, 2005	\$0.1113
September 30, 2005	October 17, 2005	\$0.1113
August 31, 2005	September 15, 2005	\$0.1113
July 29, 2005	August 15, 2005	\$0.1113
June 30, 2005	July 15, 2005	\$0.1060
May 31, 2005	June 15, 2005	\$0.1060
April 29, 2005	May 16, 2005	\$0.1060
March 31, 2005	April 15, 2005	\$0.0376
March 20, 2005	April 15, 2005	\$0.0684
February 28, 2005	March 15, 2005	\$0.1060
January 31, 2005	February 15, 2005	\$0.1060
December 31, 2004	January 17, 2005	\$0.1060
Total declared (on a cash basis)		\$1.2985

2005 Canadian Unitholder Tax Information

Avenir Trust has determined that for Canadian unitholders, distributions paid in 2005 are to be 100% taxable with no tax deferred return of capital (ROC). This varies from the Trust's previous estimates because of a significantly lower payout ratio than our 75% to 80% target payout ratio. The lower payout ratio, and correspondingly higher retained income, resulted in lower tax deferral of the distributed income to unitholders.

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 2005 income tax return. Unitholders holding their units outside such plans will receive a T3 Supplementary Information slip (T3), postmarked on or before March 31, 2006. Avenir Trust's Canadian registered unitholders 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 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 2005 income tax return.

2005 U.S. Unitholder Tax Information

Avenir Trust has determined that distributions received by U.S. resident unitholders are classified as a qualified dividend and are 100% taxable for 2005, with no return of capital.

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 distributions made during 2005, considered dividends, should qualify for the reduced rate of tax applicable to certain capital gains.

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 contact:

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

Attention: William M. Gallacher
President and CEO
or
Gary H. Dundas
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.