

AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: December 16, 2004

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES A 10% INCREASE IN THE DECEMBER DISTRIBUTION

Calgary, Alberta – Avenir Diversified Income Trust (the "Trust") (TSX: AVF.UN) is pleased to announce its December 2004 distribution. The cash distribution will be \$0.106 per Trust Unit, **which is a 10% increase on its previous monthly distributions.** The recently concluded oil and gas acquisitions, the new financial services contracts, continued growth in the energy services business and continued high commodity prices have provided the Trust with the opportunity to increase distributions at this time. With this increase, the Trust will have increased distributions 21% in 2004. The distribution will be paid on January 17, 2005, to unitholders of record on December 31, 2004. The ex-distribution date is December 29, 2004.

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

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 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.*