

AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: April 5, 2006

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES OILFIELD SERVICES REORGANIZATION AND CREATION OF NEW ESSENTIAL ENERGY SERVICES TRUST

Calgary, Alberta – (TSX: AVF.UN) Avenir Diversified Income Trust ("Avenir") is pleased to announce that, in accordance with its originally stated business plan, it is proceeding with the formation of a new publicly traded oilfield services trust called Essential Energy Services Trust ("Essential Energy Trust" or the "New Trust"), to which it will convey the entire existing energy services division of Avenir. The Trust Units of Essential Energy Trust will then be distributed to existing unitholders of Avenir on a basis such that, on completion of the transaction, all existing unitholders of Avenir will hold units of the New Trust, pro rata to their respective interests in Avenir.

As at December 31, 2005 Avenir's energy services division contained assets of approximately \$77.0 million. In 2006, Avenir has added an additional \$33.4 million in energy services assets (March 28, 2006 press release). Having achieved a focused critical mass in the oilfield services area, Avenir believes the spin-off of New Trust provides a means for Avenir unitholders to recognize further long term value. Specifically, Avenir's management believes that the valuations of the stand alone Avenir and New Trust entities will be better reflected in the market place. Further, given its size, Avenir believes its energy service division requires a management team and board of directors that can dedicate 100% of their efforts to continuing its growth. This reorganization, best accomplishes these objectives.

In order to maintain corporate direction and provide continuity to the New Trust, Avenir's co-founders, Mr. William Gallacher, President & Chief Executive Officer and Mr. Gary Dundas, Vice President Finance & Chief Financial Officer of Avenir, will join the board of directors of the New Trust together with a majority of new outside directors. The senior management of Avenir's energy services division, along with each business entity manager, will continue with the New Trust. The team will be supplemented by new additions as required for a publicly traded trust.

Avenir's management believes that the combined distributions of Avenir and the New Trust will be at least equal to the existing distributions paid on the current Avenir trust units.

The Board of Directors of Avenir has engaged Raymond James Ltd. and GMP Securities L.P. as financial advisors for the present transaction, each of whom will provide a fairness opinion with respect to the consideration to be received by unitholders through the completion of the proposed transaction.

Avenir's Board of Directors has unanimously recommended the reorganization subject to receiving a fairness opinion from its financial advisors.

The creation of the New Trust and the distribution of the trust units of the New Trust to existing unitholders of Avenir will be accomplished through a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). Completion of the transaction will be subject to satisfaction of a number of conditions, including regulatory and unitholder approval by existing Avenir unitholders. It is expected that a unitholder meeting to approve the proposed transaction will be held on May 11, 2006, with closing expected to occur on such date. We anticipate that the trust units of each of Avenir and the New Trust, as adjusted to give effect to the spin out of the new energy services trust, will commence trading on the Toronto Stock Exchange on or about May 18, 2006. An information circular setting out the particulars of the proposed transaction will be mailed to unitholders of Avenir on or about April 17, 2006.

Further details of the reorganization will be made available in a press release prior to mailing the information circular to all unitholders.

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

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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.