

PRESS RELEASE

For Immediate Release
July 31, 2009

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES SUCCESSFUL COMPLETION OF A TAKEOVER BID FOR RIDGEBACK EXPLORATION LTD.

CALGARY, ALBERTA – Avenir Diversified Income Trust ("Avenir" or the "Trust") is pleased to announce that further to its release dated June 22, 2009, 22,608,505 common shares ("Privco Shares") of a private oil and gas company ("Privco"), representing over 96% of the issued and outstanding Privco Shares, have been tendered to Avenir's offer to purchase (the "Offer") all of the issued and outstanding Privco Shares through its wholly-owned subsidiary and manager of the Trust, Avenir Operating Corp. Avenir has directed the Depositary, Olympia Trust Company, to take-up and pay for the Privco Shares deposited under the Offer.

Under the Offer, holders of Privco Shares are entitled to receive \$0.62 in cash for each Privco Share tendered to the Offer.

As the Offer was accepted by holders of greater than 90% of the Privco Shares, Avenir will take steps to acquire the remainder of the Privco Shares pursuant to the compulsory acquisition provisions contained in the *Business Corporations Act* (Alberta).

With the acquisition, the Trust has purchased 660 boe/d of production focused in the Peace River Arch comprised of 35% light and medium oil. The assets provide the Trust with a new core area combining an undeveloped land base of 50,000 net acres and 1.7 million boe of internally audited proved plus probable reserves. Based on an acquisition cost of \$22.0 million adjusted for land and seismic value, the Trust acquired the production and reserves for \$27,633 per boe/d and \$10.89 per boe on a proved plus probable basis. The new assets will be managed within the current staff complement of the Trust's Oil and Gas Division. With the acquisition, the Trust will have total production of 3,850 boe/d as of August 2009.

Avenir Diversified Income Trust is a Calgary-based oil and natural gas exploration and development company. Avenir's trust units trade on the Toronto Stock Exchange under the symbol AVFUN.

Barrel of oil equivalent ("boe") volumetric measures

The oil and gas industry commonly expresses production, sales and reserves volumes on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at a ratio of six thousand cubic feet ("Mcf") to one barrel ("bbl") of crude oil. The boe measure is used by the Trust to aggregate oil and gas volumes. The measure is also considered to be useful for comparisons with other industry participants. The conversion ratio is based on an approximate energy equivalency of these commodities at the burner tip and does not represent a value equivalency at the well head. This conversion may therefore be misleading, particularly if used in isolation.

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