

PRESS RELEASE

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES CONVERSION PLANS

Calgary, Alberta, Canada, June 23, 2010 – Avenir Diversified Income Trust (TSX – AVF.UN) (the "Trust" or "Avenir") is pleased to announce that it intends to convert to a corporate entity on or before the end of 2010. The Trust, based on current commodity prices and its operational outlook, expects to be able to maintain its current monthly distribution of \$0.06 per Trust unit for 2010 (\$0.72 per unit annualized). Currently the Trust anticipates that subsequent to the corporate conversion a monthly dividend in the amount of \$0.045 per share (\$0.54 per share annualized) will be paid to shareholders. Provided the conversion to a corporation is approved, dividends paid by Avenir in 2011 will be taxed as dividends rather than regular income, as they are today. Certain investors may be entitled to dividend tax credits which would enhance after-tax yield and significantly reduce the after-tax impact of the reduction in distributions. The anticipated dividend rate would therefore provide an effective 3% after tax increase.

The conversion is being undertaken in response to the legislative changes enacted by the federal government that will apply a tax at the income trust level. The dividend level represents an adjustment to the current annualized distribution rate of \$0.72 per unit due to the anticipated tax that the business will be subject to in 2011 and the expected impact of low natural gas prices continuing into 2011. Starting in January 2011, based on the monthly dividend level expected to be \$0.045 per share (or \$0.54 per share annualized), current commodity price projections, and operational outlooks, this would represent a payout ratio of approximately 50% to 60% of cash flow. This dividend policy will continue to provide investors with an attractive yield, while providing an opportunity for growth. Going forward, the Trust's intention is to continue to reward its investors with dividends consistent with the performance of the Trust. In determining actual distribution and dividend levels, the board will consider the financial performance, capital plans, acquisition opportunities, expectations of future economic conditions including commodity prices and other factors. Distribution and dividend amounts are subject to the risk factors described herein and in the Trust's public disclosures. A special meeting of unitholders will be held in 2010 to consider, and if deemed fit, approve and implement the conversion.

The Trust will move to focus its business mandate across the energy sector as it draws on its core competencies to develop its best opportunities. To this end, the Trust will look to sell the real estate and marketable security portfolios over the balance of 2010.

The Trust's strategy will be to provide sustainable dividends together with modest growth through opportunities in the energy sector.

An electronic copy of this press release may be obtained on the Trust's SEDAR profile at www.sedar.com.

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

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as "may", "will", "intends", "expect", "believe", or other words of similar effect may indicate a "forward-looking"

statement. In particular, the forward looking statements in this press release include statements relating to the corporate conversion and future distribution and dividend levels. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in the Trust's publicly filed documents (available on SEDAR at www.sedar.com) and in the Trust's MD&A. Those risks and uncertainties include current economic conditions, income tax matters, ability to maintain profitability and manage growth, reliance on information systems and technology, reputational risk, dependence on key clients, and reliance on key professionals. Many of these risks and uncertainties can affect the Trust's actual results and could cause the Trust's actual results to differ materially from those expressed or implied in any forward-looking statement made by the Trust or on the Trust's behalf. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this news release are qualified by these cautionary statements. These statements are made as of the date of this news release and, except as required by applicable law, the Trust undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Trust undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Trust, its financial or operating results or its securities.