AVENIR DIVERSIFIED INCOME TRUST

PRESS RELEASE

Avenir Diversified Income Trust Acquires Cardinal Well Services Ltd.

Calgary, Alberta, Canada, May 10, 2005 - Avenir Diversified Income Trust (the "Trust") (TSX:AVF.UN) is pleased to announce that it has entered into an acquisition agreement whereby Avenir Production Services Limited Partnership, an indirect wholly-owned subsidiary of the Trust, has purchased all the assets and business of Cardinal Well Services Ltd. ("Cardinal") for consideration of approximately $7.25 million less debt and working capital, funded from a portion of the proceeds of the Trust's recently closed equity financing. The acquisition is expected to add up to $1.7 to $1.8 million in annual cashflow to the Trust's energy services group.

Cardinal provides essential oil well services to the oil and gas industry with a fleet of nine rod rig "flush-by" units. This equipment is used to service existing oil wells and is very complimentary to the hyrdo-vac and steam business of Cascade Services Partnership in northeast British Columbia and northwest Alberta, and to the southern Alberta based service rigs and coiled tubing units acquired recently by the Trust in the Millard Oilfield Services (91) Ltd., Endless Tubing Services Ltd. and Richmound Endless Tubing Services Ltd. acquisitions. Cardinal operates in southern Alberta out of Brooks and Taber and in central Alberta from Red Deer and Drayton Valley.

The Trust is also pleased to announce that Mr. Troy Fisher will be remaining with Cardinal in the capacity of President of Cardinal Well Services Partnership to manage the day to day operations. The acquisition is accretive to the Trust's cash flow and further adds to the Trust's Energy Service sector of essential production services within southern and central Alberta.

The Trust is a diversified royalty and business trust which combines the cashflow streams from the three business segments of Energy, Financial Services and Real Estate with a target payout ratio of 75% to 80% in order to provide sustainable distributions.

FOR FURTHER INFORMATION PLEASE CONTACT:
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The Toronto Stock 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 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.