

**PRESS RELEASE**

**AVENIR DIVERSIFIED INCOME TRUST**

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*Calgary, Alberta, Canada*, May 7, 2004 – Avenir Diversified Income Trust (the "Trust") (TSXV: ART.UN) is pleased to announce that it has entered into an engagement agreement with a syndicate (the "Agents"), led by First Associates Investments Inc., in connection with a "best efforts" public offering by way of long form prospectus for minimum proceeds of \$15,000,000 and maximum proceeds of \$25,000,000. The prospectus was filed on May 6, 2004 in the offering jurisdictions of Alberta, British Columbia, Ontario and Nova Scotia. The Trust has also granted to the Agents an over-allotment option to acquire up to 15% of the number of trust units sold under the offering to cover over-allotments, if any, and for market stabilization purposes. The trust units issuable under the over-allotment option can be acquired at the offering price for a period of 60 days from closing.

The offering is subject to regulatory approval, including approval of the TSX Venture Exchange. The Trust will use the net proceeds of the offering for continued growth and development in its oil and gas, financial services and real estate operations.

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

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.*

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