

**NEWS RELEASE**  
**October 16, 2008**

**AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES NORMAL COURSE ISSUER BID**

**Calgary, Alberta** – Avenir Diversified Income Trust (the "**Trust**") (TSX:AVF.UN) announced today that it has received approval from the Toronto Stock Exchange (the "**TSX**") to acquire for cancellation, by way of normal course issuer bid (the "**Bid**"), up to 3,463,769 trust units (the "**Trust Units**") of the Trust, which represent approximately 10% of the "public float" (the "public float" being the issued and outstanding Trust Units, less the number of Trust Units pooled, escrowed or non-transferable, and less the number of Trust Units, beneficially owned, or over which control or direction is exercised by the Trust, senior officers or directors of the Trust; and any principal security holders owning 10% or more of the Trust. The Trust had 42,066,414 Trust Units issued and outstanding on October 16, 2008.

The Bid will commence on October 20, 2008 and terminate on the earlier of October 19, 2009 or the date upon which the Trust acquires the maximum number of Trust Units to be purchased pursuant to the Bid. Pursuant to TSX policies, daily purchases made by the Trust may not exceed 19,534 Trust Units, representing 25% of the six month average daily trading volume of 78,138 Trust Units on the TSX, subject to certain exceptions prescribed by the TSX including the "block purchase exemption".

The board of directors of the Trust believes the underlying value of the Trust's Trust Units may not be reflected in the current or future market price of the Trust Units and has therefore decided to undertake the Bid.

Purchases pursuant to the Bid will be effected through the facilities of the TSX or other Canadian marketplaces, purchases and payment for the Trust Units will be made by the Trust in accordance with TSX requirements and the price which the Trust will pay for any Trust Units acquired under the Bid will be the market price for the Trust Units at the time of acquisition.

The Trust's Trust Units are listed on the Toronto Stock Exchange under the symbol "AVF.UN". Additional information about Avenir Diversified Income Trust is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the Trust Units in any jurisdiction. The Trust Units offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to a United States person, absent registration, or an applicable exemption therefrom.

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