

**AVENIR DIVERSIFIED INCOME TRUST
NOTICE OF THE ANNUAL AND SPECIAL MEETING
OF UNITHOLDERS TO BE HELD
MAY 25, 2005**

TO: THE UNITHOLDERS OF AVENIR DIVERSIFIED INCOME TRUST

Notice is hereby given that an Annual and Special Meeting (the "**Meeting**") of the holders ("**Unitholders**") of trust units (the "**Trust Units**") of Avenir Diversified Income Trust (the "**Trust**") will be held at the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta at 9:00 a.m. (Calgary time), for the following purposes:

- (a) to receive and consider the consolidated financial statements of the Trust for the year ended December 31, 2004 and the auditors' report thereon;
- (b) to fix the number of directors of Avenir Operating Corp. ("**Avenir**" or the "**Manager**") to be elected at the Meeting at seven (7) members;
- (c) to elect the directors of the Manager of the Trust;
- (d) to re-appoint the Trustee of the Trust;
- (e) to appoint the auditors of the Trust and to authorize the directors to fix their remuneration as such;
- (f) to consider and, if deemed advisable by the Unitholders to pass an ordinary resolution to ratify approve certain grants of options to purchase trust units in excess of the number of Trust Units authorized for issuance under the Trust's current unit option plan, as more particularly described in the Information Circular;
- (g) to consider and, if deemed advisable by the Unitholders, to pass an ordinary resolution to ratify and approve a new trust unit option plan of the Trust, as more particularly described in the Information Circular; and
- (h) to transact such further and other business as may properly come before the meeting or adjournment or adjournments hereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Information Circular.

The record date for the determination of unitholders entitled to receive notice of and to vote at the Meeting is April 18, 2005 (the "**Record Date**"). Unitholders of the Trust whose names have been entered in the register of Unitholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Unitholder transfers the ownership of any of such Unitholder's units after such date and the transferee of those units establishes that the transferee owns the units and requests, not later than 10 days before the Meeting, to be included in the list of Unitholders eligible to vote at the Meeting, such transferee will be entitled to vote those units at the Meeting.

A Unitholder may attend the Meeting in person or may be represented by proxy. Unitholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Olympia Trust Company (the "Trustee"), Proxy Department, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy are directors and/or officers of the Manager. Each Unitholder has the right to appoint a proxyholder other than such persons, who need not be a Unitholder, to attend and to act for such Unitholder and on such Unitholder's behalf at the Meeting. To exercise such right, the names of the nominees of management of the Manager should be crossed out and the name of the Unitholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by the Unitholder should be delivered by facsimile to the Trustee at (403) 265-1455.

DATED at Calgary, Alberta this 27th day of April, 2005.

**BY ORDER OF THE BOARD OF DIRECTORS
OF AVENIR OPERATING CORP.**

(signed) "William M. Gallacher"

President and Chief Executive Officer