

**AVENIR DIVERSIFIED INCOME TRUST
(FORMERLY ONWARD ENERGY INC.)**

For Immediate Release: January 16, 2003

**ONWARD ENERGY INC. COMPLETES REORGANIZATION
INTO AVENIR DIVERSIFIED INCOME TRUST**

Calgary, Alberta - Onward Energy Inc. ("Onward") (TSX: ONI) is pleased to announce that it has successfully completed the reorganization of Onward into Avenir Diversified Income Trust (the "Trust"). The plan of arrangement was approved by 100% of the votes cast by shareholders and optionholders of Onward at a special meeting held January 15, 2002. Pursuant to the reorganization, former shareholders of Onward will receive a combination of cash and trust units of the Trust in exchange for their common shares.

In connection with the Arrangement, Onward was also successful in completing an arm's length acquisition involving the purchase of a private company holding certain liquid securities presently valued at approximately \$1,100,000, certain finance contracts generating risked annualized cash flow of approximately \$270,000 per annum, and approximately \$2,500,000 of oil and gas assets, which compliments Onward's existing oil and gas asset base.

With the completion of this Arrangement, the Trust, through its operating entities, will have a diverse asset base, consisting of core oil and gas assets and interests in certain financial services contracts. A portion of the income generated from each of these assets is intended to be distributed to holders of units of the Trust, with the balance retained for the ongoing business and operations of the Trust.

The Trust also successfully completed a private placement financing of approximately \$4,063,000 through the issuance of 10,158,801 Trust Units at a deemed price of \$0.40 per unit.

The following individuals have been appointed to the board of directors of Avenir Acquisition Corp. ("AcquisitionCo"), which will manage the business and affairs of the Trust:

David Butler
Stuart Chow
Gary Dundas
William Gallacher
Allan Moon

Mr. Gallacher is the President and Chief Executive Officer of AcquisitionCo and Mr. Dundas is the Vice-President, Finance and Chief Financial Officer of AcquisitionCo. Given the new board appointments and managements of AcquisitionCo, the Trust may proceed with the issue of options to acquire up to 1,600,000 Trust Units, at a price of \$0.40 per unit, to directors, officers and employees of AcquisitionCo.

It is expected that the Trust Units of the Trust will commence trading on the TSX Venture Exchange shortly, subject to completion of final filing documentation with the Exchange. The Trust will issue a further press release prior to commencement of trading. Following completion of the Arrangement, the acquisition and the financing, the Trust has issued and outstanding an aggregate of 19,920,974 Trust Units.

For further information please contact:

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