

AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: April 18, 2006

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES FURTHER INFORMATION ON THE ENERGY SERVICES DIVISION'S REORGANIZATION AND CREATION OF NEW ESSENTIAL ENERGY SERVICES TRUST

Calgary, Alberta – (TSX: AVF.UN) Avenir Diversified Income Trust ("Avenir") is pleased to announce additional information regarding the spin out of its energy services division and the formation of a new publicly traded energy services trust called Essential Energy Services Trust ("Essential Energy Trust" or the "New Trust").

The Plan of Arrangement

Pursuant to the Plan of Arrangement (the "Arrangement"), Avenir will spin out its existing energy services business to a newly created mutual fund trust called Essential Energy Trust. The units of the New Trust will be distributed to existing unitholders of Avenir and they will receive one (1) trust unit of Essential Energy Trust for each two (2) Avenir trust units held. Concurrently with the completion of the Arrangement, Avenir anticipates that Essential Energy Trust will also (i) acquire the 10% minority interests in each of Cascade Services Partnership, Westvac Energy Services Partnership and Kodiak Coil Tubing Partnership currently held by arm's length parties to Avenir and (ii) complete the acquisition of four separate arm's length entities operating in the oilfield services sector for aggregate consideration of approximately \$51 million. Essential Energy Trust will make monthly cash distributions to holders of Essential Energy Trust units from income received from energy services operations. Including the acquisitions planned concurrently with closing, the New Trust is expected to have approximately 27 million units outstanding.

Effect on Distributions

Management anticipates that the May 2006 distribution paid to unitholders of Avenir will not be affected by the proposed Arrangement and will be paid in the usual manner. Therefore, unitholders of Avenir of record on May 31, 2006 will receive their regular monthly cash distribution of \$0.12 per unit on or about June 15, 2006.

Assuming a May 31, 2006 effective date, the first distribution of Essential Energy Trust that Essential Energy Trust unitholders will receive is the distribution paid to the New Trust's unitholders of record on or about June 30, 2006, which will be paid on or about July 15, 2006. Avenir currently intends that Essential Energy Trust will initially distribute \$0.083 per Essential Trust unit per month (\$0.996 per unit per year), beginning with the first distribution payable following closing of the Arrangement. It is anticipated that this distribution policy will result in a payout ratio of approximately 70 to 80 percent on a go-forward basis. Future distributions and the actual payout ratio will be subject to the discretion of the Board of Directors of Essential Operating Corp. and may vary depending on, among other things, the current and anticipated energy services market.

Avenir also anticipates that Avenir's distribution policy will be adjusted such that Avenir will distribute an amount equal to \$0.083 per Avenir trust unit per month (\$0.996 per unit per year) beginning with the first distribution payable to the Avenir unitholders of record on or about June 30, 2006, which will be paid on or about July 15, 2006 following closing of the Arrangement.

Accordingly, on a combined basis, unitholders who held one (1) Avenir unit immediately prior to completion of the Arrangement will receive, after the Arrangement, a combined distribution of \$0.1245 per month (\$1.494 per unit per year), rather than the \$0.12 per month (\$1.44 per unit per year) currently distributed by Avenir.

Annual Distribution Per Unit Summary Table

	Current	Post Restructuring
Avenir Units Held	1.00	1.00
Essential Services Trust Units Held	n/a	0.50
Annual Distribution per Avenir Unit	\$ 1.44	\$ 0.996
Annual Distribution per Essential Energy Trust Unit	n/a	\$ 0.996
Total Annual Distribution to Avenir Unitholder	\$ 1.44	\$ 1.494

Annual General & Special Meeting of Unitholders of Avenir

The Annual General & Special Meeting of unitholders to approve the Arrangement will be held on May 11, 2006, in Room 108 at the Calgary TELUS Convention Centre, 120 – 9th Avenue S.E., Calgary, Alberta, T2G 0P3, at 9:30 a.m. (Calgary time). If approved, unitholders of Avenir of record on May 31, 2006 will be entitled to receive the Essential Energy Trust units being issued under the Arrangement. Accordingly, on May 31, 2006, (i) the certificates representing the new Essential Energy Trust Units will be distributed to Essential Energy Trust unitholders; and (ii) the Avenir trust units would then trade on the basis which reflects the distribution of all of the energy services assets to Essential Energy Trust.

Unitholders will not be required to complete a letter of transmittal or other document in order to receive the new Essential Energy Trust units. The transfer agent will receive instructions, on May 31, 2006, to deliver certificates representing the new Essential Energy Trust units to all unitholders of record on May 31, 2006, without any further action required on the part of the unitholders.

Background to and Reasons for the Arrangement

Avenir was initially created as a diversified income trust, with a view to creating an investment vehicle that would provide stable distributions to unitholders through the holding of a diversified group of investments in the oil and gas, oil and gas services, financial services and real estate business sectors. However, management's stated intention, in creating Avenir, was to grow each business unit to a size such that, if possible and appropriate, the business unit could be spun-out as a stand-alone public entity.

Given the comparative market valuations of diversified trusts and service trusts evidenced through the fourth quarter of 2005 and the first quarter of fiscal 2006, management of Avenir is of the view that the spin-out of a stand-alone service trust would result in a higher combined market valuation of Avenir and Essential Energy Trust, as compared to Avenir on a stand-alone basis. Accordingly, in the first quarter of 2006, management commenced planning to effect a spin-out of the energy services division, while at the same time pursuing accretive energy services acquisitions, to increase the size of the division.

As at December 31, 2005 Avenir's energy services division contained assets of approximately \$77.0 million. In 2006, Avenir has added an additional \$33.4 million in energy services assets. Having achieved a focused critical mass in the oilfield services area, Avenir believes the spin-off of Essential Energy Trust provides a means for Avenir unitholders to recognize further long-term value. Specifically, Avenir's management believes that the valuations of the stand-alone Avenir and Essential Energy Trust entities will be better reflected in the market place. Further, given its size, Avenir believes its energy service division requires a management team and board of directors that can dedicate 100% of their efforts to continuing its growth. Management believes that the proposed Arrangement best accomplishes these objectives.

Essential Energy Trust Board of Directors and Management Team

In order to maintain corporate direction and provide continuity to the Essential Energy Trust, Avenir's co-founders, Mr. William Gallacher, President and Chief Executive Officer of Avenir and Mr. Gary Dundas, Vice President Finance and Chief Financial Officer of Avenir, will join the board of directors of the Essential Energy Trust together with a majority of independent directors. The Board of Directors will also consist of Mr. Dennis Balderston, Mr. Neil MacKenzie and at least one additional independent member to be announced at a further date. The senior management of Avenir's energy services division, along with each business entity manager, will continue with the Essential Energy Trust. New Trust will be led by Mr. James Burns, formerly the Chief Operating Officer of Avenir's Energy Business Unit, Mr. Duncan Au as Chief Financial Officer, Mr. Ken Wagner as Vice President, Operations and Mr. Stuart King as Controller. Additional senior staff may be added prior to the effective date of the transaction.

Fairness Opinions and Board Recommendation

The Avenir Board retained Raymond James Ltd. and GMP Securities L.P. to provide financial advisory services and also to address the fairness, from a financial point of view, of the consideration to be received by unitholders under the Arrangement. On April 12, 2006, the Board of Directors of Avenir Operating Corp. received the opinions of Raymond James Ltd. and GMP Securities L.P. which state that the consideration to be received by the unitholders pursuant to the Arrangement is fair, from a financial point of view, to the unitholders, and the Board, based upon its own investigations, including its consideration of the fairness opinions, unanimously concluded that the Arrangement is fair to unitholders, is in the best interests of Avenir and the unitholders and recommended that unitholders vote in favour of the Arrangement.

Income Tax Considerations

Avenir unitholders will acquire Essential Energy Trust units at a cost equal to the fair market value thereof and will be allocated a return of capital value with the balance being their proportion of the capital gains realized by Avenir as a consequence of the Arrangement. Further detail will be provided once fair values and final tax pool balances are known.

Further details of the reorganization and Essential Energy Service Trust are available in the information circular mailed to all Avenir unitholders and posted on Avenir's company profile at www.sedar.com and Avenir's website at www.avenirtrust.com.

For further information please contact:

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Forward-Looking Statements

Certain information set forth in this press release, including a discussion of 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 management's control, including but not limited to, the ability of Avenir to obtain all required approvals to proceed with the proposed transaction on a timely basis, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, 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. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements.