

PRESS RELEASE

AVENIR DIVERSIFIED INCOME TRUST ANNOUNCES ACQUISITION OF VAL VISTA ENERGY LTD.

Calgary, Alberta, Canada, January 20, 2005 - Avenir Diversified Income Trust ("Avenir Trust") (TSX – AVF.UN) and Val Vista Energy Ltd. ("Val Vista") (TSXV – VVR) announce that they have entered into a binding acquisition agreement (the "Agreement") whereby Avenir Operating Corp. ("Avenir"), an indirect wholly owned subsidiary of Avenir Trust, will, subject to certain conditions, offer (the "Offer") to purchase all of the issued and outstanding common shares of Val Vista. The consideration under the Offer for each Val Vista common share is \$1.43 cash, or 0.13364 of an Avenir trust unit, or any combination of cash and trust units, subject to a maximum of \$12,666,602 of cash being paid and a maximum of 1,183,795 trust units being issued. This assumes that all outstanding options of Val Vista will be exercised. Based on yesterday's closing price of Val Vista's shares, the value to the Val Vista shareholders represents an approximate 29% premium over the last trading price.

The total value of the Offer for Val Vista is approximately \$29.9 million, including the assumption of \$6.5 million in net debt and assuming proceeds from the exercise of outstanding options.

The Board of Directors of Val Vista has unanimously agreed to recommend acceptance of the Offer. Certain shareholders, including the management and directors of Val Vista, holding approximately 30% of the issued and outstanding common shares, have agreed to tender their common shares to the Offer. The Agreement provides that Val Vista shall not, directly or indirectly, solicit or initiate any inquiries, discussions or negotiations with any third party with respect to any take-over proposal. Val Vista and Avenir have each agreed to pay a non-completion fee in the amount of \$400,000 in certain circumstances.

Peters & Co. Limited, subject to satisfaction of certain conditions, will provide an opinion to the Board of Directors of Val Vista that the Offer is fair, from a financial point of view, for Val Vista shareholders.

Avenir expects that the Offer will be mailed to holders of Val Vista Shares no later than February 16, 2005 and will be open for 35 days. The Offer is subject to all necessary regulatory approvals and to customary conditions, including that a minimum of 66^{2/3}% of Val Vista Shares, calculated on a fully diluted basis, be tendered to the Offer.

At closing, the transaction adds approximately 780 boe per day (80% natural gas and 20% light oil) to Avenir's Southern and Central Alberta core areas. Reserves are estimated to be 1.7 million boe on a proved plus probable basis. In addition, Avenir has identified numerous low risk development opportunities which should add approximately 250 to 300 boe per day in the medium term and should provide additional growth through farm-out opportunities. The acquisition equates to production and reserve valuations of approximately \$35,250 per producing boe and \$16.17 per proved plus probable reserves after deducting \$2.4 million in undeveloped land and seismic value.

Following the acquisition, Avenir's oil and gas production will be an estimated 3,650 boe per day. The transaction is accretive to Avenir Trust's cashflow and its oil and gas production base. Avenir Trust is a diversified royalty and business trust which combines the cashflow streams from the three business segments of Energy, Financial Services and Real Estate.

Val Vista is a Calgary based company engaged in the exploration for, and the development, production and acquisition of, natural gas and petroleum interests primarily in central and southern Alberta.

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The Toronto Stock Exchange and the TSX Venture Exchange have not reviewed and do 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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Forward Looking Statements

Certain information regarding Avenir Trust set forth in this document, including management's assessment of the Trust's 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 the Trust's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, imperfection of reserve estimates, 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. The Trust's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward looking statements and accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward looking statements will provide what, if any benefits to the Trust.