

AVENIR DIVERSIFIED INCOME TRUST

For Immediate Release: June 7, 2006

AVENIR PROVIDES INFORMATION ON COST BASE AND TAX CONSEQUENCES OF ESSENTIAL ENERGY SERVICES TRUST SPIN-OUT

Calgary, Alberta – (TSX: AVF.UN) Avenir Diversified Income Trust ("Avenir"), pursuant to the Plan of Arrangement approved by the unitholders on May 11, 2006, spun-out its existing oilfield services business into Essential Energy Services Trust ("ESN.UN") effective May 31, 2006. The units of ESN.UN were distributed to existing holders of units of Avenir who received one (1) trust unit of ESN.UN for each (2) Avenir units held.

For tax purposes, the spin-out of the Energy Services Division is similar to a special distribution in the form of units of ESN.UN. The amount of the distribution received in respect of each Avenir unit held by an Avenir unitholder was equal to the fair market value of the ESN.UN units received by such unitholder. Although not binding on the Canada Revenue Agency or the Internal Revenue Service, Avenir's management is of the view that a reasonable approach to determining the fair market value of an ESN.UN unit is to determine such value based on the initial trading price of an ESN.UN unit. One indicative method that could be used is to calculate the fair value is the volume weighted average trading price of the ESN.UN units over the initial four hours of trading which equated to \$9.58.

Based on the above \$9.58 initial trading price as the initial cost base of each ESN.UN unit, each Avenir unitholder, on the basis of receiving one ESN.UN unit for every two Avenir units held, effectively received a distribution equal to \$4.79 (½ of \$9.58). Of this ESN.UN special distribution, it is currently estimated for Canadian unitholders, that 40.9% or \$1.96 will be treated as return of capital and should reduce the cost base of their Avenir units and 59.1% or \$2.83 will be treated as a capital gain and will be subject to 2006 capital gains tax treatment.

For United States ("US") tax purposes, based on the C\$9.58 initial trading price above, each Avenir unitholder resident in the US will have received a special distribution equal to C\$4.79. For US unitholders, it is estimated that 40.9% or C\$1.96 will be treated as a return of capital and should reduce the cost base of their Avenir units and 59.1% or C\$2.83 will be treated as dividend income and subject to only 15% Canadian withholding tax. As no cash is involved in the spin-off, the withholding tax will take the form of an 8.87% or C\$0.42 value reduction (15% of 59.1% non-return of capital) by way of fewer units being spun-out to US unitholders. However, given that Avenir is more likely than not a qualified corporation for US tax reporting there should be no additional US tax owing on the distribution.

The above information is provided in response to a number of unitholder questions surrounding the tax treatment of the ESN.UN spin-out to Avenir's unitholders. The above estimations are supplied by Avenir management for information purposes only. Avenir will make available the actual numbers for year end tax reporting slips in the first quarter of 2007 which will outline the 2006 tax information for all 2006 distributions. Avenir unitholders should review their individual circumstances with their own financial and or tax advisors.

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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.