NEWS RELEASE **November 5, 2008**

BLACK DIAMOND INCOME FUND REPORTS RESULTS OF OPERATIONS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2008

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is very pleased to announce the results of operations for the third quarter ended September 30, 2008.

The Fund continued to provide exceptionally strong results by posting new records in respect of revenue, EBITDA and earnings for the period from July 1 to September 30, 2008. This is the eighth consecutive quarter in which the Fund has achieved higher levels of revenue and EBITDA growth. Continued robust demand for the Fund's fleet of modular structures, which is generally rented under long term contracts and therefore subject to less fluctuations in near term economic activity, used for both workforce accommodations and temporary space rentals in all the markets in which the Fund operates, offset the downturn in the economy.

The Fund's fleet growth and high levels of utilization enabled the Fund to grow revenues in the three month period ended September 30, 2008 by 22% over the previous quarter and by 86% over the same period in the previous year. The Workforce Accommodations division accounted for 51% or $10.0 million of the revenues. 38% or $7.5 million of consolidated revenue was derived from the Space Rentals division, which received an additional revenue boost provided by custom manufactured sales in both Alberta and Ontario. The Energy Services division accounted for 11% or $2.2 million of consolidated revenue. The Fund continues to provide a significant amount of accommodation and space rental structures to the oilsands sector. For the period, the revenue generated from oilsands and oilsands related projects amounted to 60% of the consolidated revenue. 27% of the Fund's revenue was generated from assets not related to oilsands activity with the remaining 13% being sourced from conventional oil and gas activity in western Canada.

The primary driver of the Fund's business remains the rental income derived from its fleet of modular structures. From September 2007 to September 2008, the workforce accommodation fleet grew by 57% or 252 units, the space rentals fleet grew by 44% or 326 units, the energy services accommodations fleet grew by 47% or 64 units while the energy services division added 122 units in respect of surface rental assets. The utilization of these fleets remained strong throughout the three months ended September 30, 2008 averaging 96% for the workforce accommodation units, 80% for the space rental fleet and 82% for the drilling accommodation units.

Gross profit margins for the period remained strong averaging 58% compared to 63% in 2007. The slight decline was due to lower margin revenues being derived from custom sale projects in the space rentals division and higher than normal levels of sub-lease revenue in the workforce accommodations division. These non-rental revenues generated in the period are conducted at lower margin levels but do not require the use of capital.

The Fund's net income for the third quarter of 2008 was $5.1 million compared to $1.9 million in the same period in 2007. When removing the effect of future income taxes, earnings in 2008 were $6.5 million compared to $3.5 million for the same period in 2007.

EBITDA for the quarter was $9.2 million or 47% of revenue versus $5.4 million or 52% of revenue for the same period in 2007.

The Fund distributes $0.09 per unit per month (the equivalent of $1.08 per unit annually) resulting in a payout ratio for the quarter of 35%.

Subsequent to the end of the third quarter 2008, Black Diamond Partnership concluded an asset acquisition for a fleet of surface rental assets from a private Alberta energy services company for aggregate consideration of approximately $10.95 million, comprised of $8.8 million in cash and the issuance of 278,000 trust units of the Fund. The acquisition was effective October 1, 2008 and is expected to be accretive on a cash flow per share basis. The assets were purchased at levels significantly below replacement cost and will be added to the Energy Services division of Black Diamond Partnership.

The following is a summary of selected financial and operating information that has been derived from and should be read in conjunction with the unaudited interim consolidated financial statements for Black Diamond for the three and nine months ended September 30, 2008.

	Three months ended September 30		Nine months ended September 30	
(in thousands of dollars, except as noted)	2008	2007	2008	2007
Financial Highlights	$	$	$	$
Total revenue	19,699	10,564	51,034	26,915
Gross profit	11,422	6,624	30,400	16,746
Gross profit %	58%	63%	60%	62%
Selling, general & administrative	2,209	1,191	5,748	3,418
Selling, general & administrative %	11%	11%	11%	13%
EBITDA	9,213	5,433	24,652	13,328
EBITDA %	47%	52%	49%	50%
Net earnings before taxes	6,461	3,498	16,572	7,898
Net income (loss)	5,071	1,944	13,993	(2,952)
Capital expenditures	18,101	6.783	41,340	22.141
Property, plant & equipment	106,621	62,503	106,621	62,503
Total assets (as at period end)	170,537	111,382	170,537	111,382
Long-term debt	28,054	18,420	28,054	18,420
Operational Highlights				
Workforce accommodation units in operation at end of period	697	445	697	445
Average utilization during the period	96%	91%	97%	87%
Space rental units in operation at end of period	1,072	746	1,072	746
Average utilization during the period	80%	86%	79%	86%
Drilling accommodation units in operation at end of period	199	135	199	135
Average utilization during the period	82%	69%	86%	75%
Surface rental equipment in operation at end of period	122	-	122	-
Average utilization during the period	13%	-	22%	-
Consolidated number of units	2,090	1,326	2,090	1,326
Average utilization during the period	82%	86%	84%	86%

Results of Operations

Revenue

Revenue generated for the third quarter of 2008 (hereafter referred to as the "Period") was $19.70 million compared to $10.56 million in 2007. For the nine months ended September 30, 2008 revenues were $51.03 million compared to $26.92 million for the comparable nine months in 2007.

Workforce Accommodations

Revenue was $9.98 million (51% of consolidated revenue) for the Period compared to $7.45 million (70% of consolidated revenue) for the same period in 2007. For the nine months ended September 30, 2008, revenue was $30.68 million (60% of consolidated revenue) compared to $17.94 million (67% of consolidated revenue) in 2007.

At the end of September 2008, the workforce accommodation fleet had 697 units. This represents an increase of 252 units (57%) from September 2007. The fleet size grew by 73 units in the third quarter of 2008.

Utilization of the workforce accommodation fleet averaged 96% for the Period compared to 91% in 2007. The increase is due to a slight lag in units coming on stream for a major contract in the summer of 2007. The utilization is a reflection of the type of equipment the Fund deploys as well as the longer term nature of the rental contracts the Fund has favoured. The workforce accommodation units typically do not experience any significant seasonality. Their usage is on projects requiring larger complements of labor in remote areas and these projects tend to start and operate without regard to the time of year.

During the Period, the workforce accommodations division generated $4.68 million (47%) of its revenue from the rental of its modular accommodation units. The remaining revenue of $5.30 million (53%) was primarily generated from sub-lease activity as well as dismantling services related to the redeployment of accommodations contracted at the Canadian Natural Resources Horizon oilsands site. The sub-lease and installation activities do not employ any of the Fund's capital and therefore generate lower gross margins. Comparatively, for the nine month period ended September 30, 2007, the rental revenue generated by the workforce accommodations division was $4.20 million (56%), while the revenue generated from all other non-rental streams was in aggregate $3.25 million (44%).

Space Rentals

Revenue for the space rentals segment for the Period was $7.52 million (38% of consolidated revenue) compared to $2.16 million for 2007 (20% of consolidated revenue). A large sale of a custom manufactured complex in Ontario as well as custom complexes sold to Alberta customers provided a portion of the increase, while a year over year fleet increase of approximately 44% fueled rental revenue growth. For the nine months ended September 30, 2008, revenues were $13.51 million (27% of consolidated revenue) compared to $5.37 million (20% of consolidated revenue) in 2007. The increases are mainly due to continued fleet additions, as well as the custom projects mentioned above.

The fleet size of space rentals has increased by 44% or 326 units from September 2007. The majority of the fleet additions occurred in Alberta in concert with a stronger economic environment. During the third quarter of 2008, the fleet grew by 10% or 100 units over the second quarter, which was mainly due to fleet additions in Alberta.

Utilization of the space rental fleet averaged 80% for the Period compared to 86% for the same period in 2007. This small decline in utilization rate was primarily due to a depressed economic climate in Ontario and a short timing difference in redeployment of Alberta units to new contracted customers.

Rental revenue for the Period for the space rentals division was $2.32 million (31%) compared to $1.48 million (62%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet, unit sales and custom manufactured sales represented $5.20 million (69%) compared to $0.68 million (38%) in 2007. The increase of approximately $4.4 million is mainly due to custom manufactured sales and the associated installation in the Period. For the nine month period, this split between rental revenues and other revenue streams for the space rental division was $5.99 million (44%) and $7.52 million (56%) respectively. For comparison, nine month results in 2007 showed rental revenues of $3.54 million (66%) and other revenue streams of $1.83 million (34%). The split in the rental revenue versus other revenue streams in the space rentals division generally does not fluctuate significantly from period to period as can be seen in the workforce accommodations division. These ancillary revenue streams do not employ any of the Fund's capital and typically generate lower gross margins.

Energy Services

Revenue generated by Energy Services was $3.40 million for the Period compared with $1.98 million in 2007. For the nine months ended September 30, 2008, revenues were $10.84 million compared to $6.29 million in 2007.

Rental revenue for the Period was $1.25 million (54%) compared to $0.73 million (37%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet and unit sales represented $0.25 million (14%) compared to $nil in 2007. The remaining $1.90 million was generated in the Period by providing repair, installation and dismantling services to external customers and to other segments of the Fund. Of this, $0.74 million (39%) of the revenue is generated from third party customers, while $1.16 million (61%) was generated by providing services to the Workforce Accommodations and Space Rental divisions and was thus eliminated on consolidation.

For the nine months ended September 30, 2008, rental revenue for the Period was $3.87 million (36%) compared to $2.65 million (42%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet and unit sales represented $1.73 million (16%) compared to $nil in 2007. The remaining $5.24 million was generated in the Period by providing repair, installation and dismantling services to external customers and to other segments of the Fund. Of this, $1.40 million (13%) of the revenue is generated from third party customers, while $3.83 million (35%) was generated by providing services to the Workforce Accommodations and Space Rental divisions and was thus eliminated on consolidation.

Rental revenue tends to have a higher degree of seasonality in this division. The drill camps, free standing fleet, geologist/engineer quarters and staff quarters as well as the surface rental assets would typically have a higher degree of utilization during the winter months when drilling activity is higher. The Fund has taken a large degree of the seasonality out of its revenue generation by contracting a significant portion of its drill camp fleet under longer term, paid monthly contracts.

Drilling accommodations equated to 199 units at the end of September 2008 versus 135 units at September 2007. This represented drill camps as well as a complement of wellsites, free standing sleepers and support units. This fleet averaged utilization of 82% for the Period, compared with 69% for the same period in 2007. Substantially all of the drill camps are under long term contract to large oil companies with an average remaining contract term of approximately 17 months. The drilling accommodations comprise 87% of the asset value within the Energy Services segment.

The Fund's initial purchase of surface rental equipment was in January 2008 and has grown the asset base to a small complement of 95 pieces of equipment. The utilization on this equipment for the Period was 13%. The low level of utilization is due to the small scale of the fleet and the fact that the 3rd quarter typically experiences a cyclical downturn in the usage of this type of equipment in Alberta. This fleet is complementary to the drilling accommodations equipment and represents approximately 2% of the Fund's asset value. The acquisition subsequent to the Period adds significantly to the scale of this operation and as a result, the Fund expects the utilization to be higher on the larger platform of assets.

Direct Costs & Gross Profit

Direct costs were $8.28 million for the Period resulting in a gross profit of $11.42 million or a gross profit margin of 58% compared with 2007 direct costs of $3.94 million resulting in a gross profit of $6.62 million or a gross profit margin of 63%. The decrease is partially due to lower margins on large custom sales occurring in the Period. For the nine months ended September 30, 2008, direct costs were $20.63 million, resulting in a gross profit of $30.40 million or a gross profit margin of 60%. Direct costs for the comparable period in 2007 were $10.17 million, which resulted in gross profit of $16.75 million and a gross profit margin of 62%.

Direct costs attributable to the revenue in arriving at the gross profit are the labor, fuel, materials, freight and maintenance required in maintaining, servicing and moving the units to the contracted sites. In addition, there are often opportunities for the Fund to sell some units from its fleet, rent equipment from third parties and re-rent the equipment, provide logistics services or to provide installation and other services to customers. The net book value of sold units, costs of units sub-leased from others and the cost of transport from third parties are included in the direct costs. Revenue streams ancillary to the rental revenue are generally at lower gross margins than the fleet rental operations. Therefore, depending on the level of revenue generated from these other activities in any given period, gross profit margins may fluctuate. For the Period, approximately 58% of the consolidated Fund revenues were derived from these ancillary revenue streams which had gross profit margins ranging from 10% to 30%. For the nine months to September 30, 2008, the level of revenues generated from these other areas amounted to 54% of the consolidated revenue compared to 53% in 2007.

Selling, General & Administrative Costs

Selling, general & administrative costs ("SG&A") excluding unit-based compensation charges for the Period were $2.21 million (11% of revenue) compared to $1.19 million (11% of revenue) for the same period in 2007. For the nine months ended September 30, 2008, SG&A was $5.75 million (11% of revenue) compared to $3.42 million (13% of revenue) in 2007. Within this figure, personnel costs are the largest item representing approximately 52% of SG&A expenses, which is slightly lower than 53% for the same period in 2007. Occupancy costs and insurance combine for an additional 16% of SG&A costs which is down from 19% in the 2007 period. The remaining 31% of SG&A expenses consist of charges for items such as audit, legal, travel, meals and entertainment, bank charges and promotional items which is slightly higher than 28% from 2007. As at September 30, 2008, the Fund employed 32 people in sales and administrative positions, which is thirteen more than as at September 30, 2007.

Unit-based compensation charges are reported separately from the SG&A and were $0.10 million for the period ended September 30, 2008 compared with $0.05 million in 2007. For the nine month period ended September 30, 2008 charges were $0.26 million compared to $0.11 million in 2007. Unit-based compensation was determined using a Black-Scholes valuation method.

EBITDA

The Fund's Earnings before Income Taxes, Depreciation, Amortization and Unit Based Compensation ("EBITDA") was $9.21 million for the Period compared to $5.43 million in 2007. This represents an EBITDA margin of 47% compared to 51% in 2007. For the nine months ended September 30, 2008 EBITDA was $24.65 million and $13.33 million for the same period in 2007, which resulted in EBITDA margins of 48% and 50%, respectively. As noted above, this margin may fluctuate from period to period depending on the level and mixture of the revenue generated from the rental of the fleet assets as compared to the ancillary revenue streams such as logistics, installation, sublease and services provided.

Amortization

For the Period, the charge for amortization was $2.48 million compared to $1.60 million in 2007. This included charges of $2.23 million with respect to amortization taken on the property and equipment of the Fund and $0.25 million relating to the amortization of the intangible assets. Comparatively, amortization for the third quarter of 2007 was $1.35 million and $0.25 million, respectively. For the nine months ended September 30, 2008, the charge for amortization was $6.73 million compared to $4.46 million in 2007. The intangible assets were valued and booked in respect of the purchase of the business from Black Diamond Leasing Inc. at the time of the initial public offering and have estimated useful lives ranging from 4 to 20 years.

Interest Expense

Interest expense for the Period was $0.18 million compared with $0.29 million in 2007. Average long term debt in the Period was only slightly above the amount outstanding at June 30, 2008, as funds were drawn in the latter part of September for the majority of the fleet additions that occurred in the Period. Interest rates in the quarter ranged between 4.75% and 5.30%. For the nine months ended September 30, 2008 interest expense was $1.09 million compared to $0.86 million in 2007. This represents interest that was charged on drawings on the credit facilities in the respective periods.

Interest expense for the Period was $0.18 million compared with $0.29 million in 2007. For the nine months ended September 30, 2008 interest expense was $1.09 million compared to $0.86 million in 2007. This represents interest that was charged on drawings on the credit facilities in the respective periods.

Income Taxes

Pursuant to legislation enacted in June 2007, commencing in January 2011 (provided that the Fund experiences only "normal growth" and no "undue expansion" before then) the Fund will be liable for tax at the corporate income tax rate (which is currently proposed to be the federal corporate rate combined with the provincial income tax rate for each province in which the specified investment flow-through ("SIFT") has a permanent establishment) on all income payable to unitholders, which the Fund will not be able to deduct as a result of being characterized as a SIFT trust.

The Fund has made provision for the future tax liability associated with the above amendments in the SIFT taxation. For the Period, the Fund incurred an income tax provision of $1.39 million. There is no current portion of this charge, and as such it has been reflected as a future tax liability on the balance sheet. This liability arises due to the differences in the book value and the tax value of the assets held by the Fund that are expected to reverse after 2010. This liability and expense has been calculated at the enacted tax rate of 28%. At September 30, 2008, the future tax liability was calculated at $12.91 million compared to $10.85 million in September 2007. The increase is due to the addition of rental fleet units in the prior twelve months.

DISTRIBUTABLE CASH

The Fund declared distributions to unitholders of $3.12 million during the Period and $2.34 million for the period ended September 30, 2007. This is $0.27 per unit for the Period, or the equivalent of $1.08 per unit on an annualized basis.

Management is focused on the distributions as a percentage of Funds available for distribution. In this measure, changes in non-cash working capital are excluded. Changes in non-cash working capital balances will be a source of cash in one period and a use of cash in another depending on changes in the level of activity in a particular period and other factors. Management believes Funds available for distribution is more indicative of the cash generated by the operations in a period which would be available for distribution to unitholders. Funds available for distribution for the Period was $8.96 million compared with $5.14 million for the third quarter of 2007.

LIQUIDITY & CAPITAL RESOURCES

As of September 30, 2008, the Fund had a working capital surplus balance of $8.17 million. The Fund has established syndicated credit facilities with two Canadian chartered banks as follows: a committed operating facility of $10.0 million and a committed capital expenditure facility of $65.0 million. In addition, the capital expenditure credit facility of the Fund has a $20.0 million accordion feature which would allow the Fund to further increase the capital expenditure credit facility upon request and approval as required. As at September 30, 2008, the Fund had drawn $nil on the operating credit facility and had drawn down on the acquisition facility in the amount of $26.70 million. Drawings on both facilities are charged interest based on the previous quarter's funded debt to EBITDA ratio. As at September 30, 2008 the interest rate applied to amounts drawn on the acquisition facility was 5.087%. Both facilities are interest-only with no principal repayment obligations. The Fund does not anticipate any covenant violations or restrictions in the future financing of its operations and capital expenditure programs.

At September 30, 2008, the Fund had the equivalent of 11.55 million trust units outstanding. This was a combination of 9.79 million trust units issued and outstanding and 1.76 million trust units reserved for issuance pursuant to the exchange of 1.76 exchangeable partnership units which were issued and outstanding as at September 30, 2008. In addition at September 30, 2008, the Fund had 893,160 trust units reserved for issuance pursuant to the exercise of options which have been granted pursuant to its trust unit option plan.

Capital Expenditures

For the Period, the Fund expended $18.10 million (2007 – $6.78 million) on additions to property and equipment. The additions to the property and equipment consisted of:

- $10.72 million (2007 – $3.29 million) on workforce accommodation structures and ancillary equipment;
- $4.56 million (2007 – $3.15 million) on space rental structures with some ancillary equipment;
- $2.68 million (2007 – $0.22 million) on energy services accommodation structures and ancillary equipment; and
- $0.14 million (2007 – $0.12 million) on computers, furniture and service related equipment.

For the nine months ended September 30, 2008, the Fund expended $41.34 million (2007 – $22.14 million) on additions to property and equipment. The additions to the property and equipment consisted of:

- $20.74 million (2007 – $10.80 million) on workforce accommodation structures and ancillary equipment;
- $12.97 million (2007 – $10.82 million) on space rental structures with some ancillary equipment;
- $7.09 million (2007 – $0.22 million) on energy services accommodation structures and ancillary equipment; and
- $0.54 million (2007 – $0.30 million) on computers, furniture and service related equipment.

At September 30, 2008, the Fund had made capital expenditure commitments with key manufacturers of modular structures in the amount of $19.0 million for delivery in 2008. It is management's intention to meet the funding requirements for these commitments through a combination of internally generated cash flow and available funds from credit.

NON-GAAP MEASURES

In the foregoing discussion, the following terms have been referenced: EBITDA (Earnings before Interest, Taxation, Depreciation and Amortization), EBITDA Margin, Gross Profit, Funds available for distribution and Payout ratio. Readers are cautioned that these measures are not defined under Generally Accepted Accounting Principles ('GAAP'). Non-GAAP measures are not alternatives to measures under GAAP and should not, on their own, be construed as an indicator of the Fund's performance or cash flows, a measure of liquidity or as a measure of actual return on the Units. These Non-GAAP measures should only be used in conjunction with the consolidated financial statements of Black Diamond Income Fund. A reconciliation between these measures and measures defined under GAAP is included in the Fund's Management's Discussion and Analysis for the three months ended September 30, 2008 filed on SEDAR.

OUTLOOK

Management is pleased to have reported the 8th consecutive record quarter for the Fund. It is expected that the Fund will continue this trend in Q4 as asset additions, along with the recent surface rentals acquisition, will cause an increase in rental revenues. Gross Margins and EBITDA margins should trend in line with those generated in the first nine months of the year.

Full effect of the Fund's capital expansion program will be realized in Q1 of 2009 as rental revenues will rise in concert with increased fleet size. Non rental revenue streams will remain high through the next two quarters due to a number of custom sales projects and operations activities associated with the deployment of new fleet assets.

Despite the uncertainty surrounding the world economy, Black Diamond continues to have strong near term visibility driven by its existing contracts. In fact, a significant amount of budgeted revenue and cashflow for 2009 is already under firm contract. Also enhancing the Fund's stability, is the fact that having completed the successful redeployment of assets from the Horizon oil sands site, the Fund will no longer have any one customer representing more than 10% of revenue. Furthermore, high quality assets, strong customer relationships, and talented people should position Black Diamond to continue to perform well even in a difficult economy.

As the Fund's extensive 2008 capital build nears completion, management will take a more cautious stance toward growth. Management anticipates that attractive opportunities for new asset deployment will continue to be available to the Fund. Preference will be given to projects that offer firm contracts in advance of capital commitment. Management also expects that opportunities for accretive asset acquisitions will materialize in certain areas of the market as a result of financial market conditions. Black Diamond is well positioned to capitalize on these opportunities given the strength of its balance sheet and through the growth of retained cashflow after distributions.

Management remains confident that the Fund can sustain the current distribution payout to unitholders for the foreseeable future.

SUMMARY FINANCIAL STATEMENTS

The following is a summary of the Fund's unaudited interim consolidated balance sheets as at September 30, 2008, the Fund's consolidated statements of net income, comprehensive income and accumulated loss and consolidated statements of cash flows for the three months ended September 30, 2008. These statements should be read in conjunction with the unaudited interim consolidated financial statements including the accompanying notes for the three months ended September 30, 2008 as filed on SEDAR.

Black Diamond Income Fund
CONSOLIDATED BALANCE SHEETS
(unaudited)

(Expressed in thousands of dollars)

As at	September 30, 2008	December 31, 2007
	$	$
ASSETS		
Current		
Cash	10,324	932
Accounts receivable	12,310	9,787
Prepaid expenses and other assets	981	411
	23,615	11,130
Property and equipment	106,621	71,692
Intangibles	10,985	11,728
Goodwill	29,316	29,316
	170,537	123,866
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	13,813	8,160
Distributions payable	1,040	842
Current portion of capital lease	594	—
	15,447	9,002
Capital lease obligation	1,354	—
Long-term debt	26,700	25,420
Future income taxes	12,914	10,521
	56,415	44,943
Unitholders' equity		
Trust units and exchangeable partnership units	117,261	87,751
Contributed surplus	312	168
Accumulated loss, after accumulated distributions	(3,451)	(8,996)
	114,122	78,923
	170,537	123,866

Black Diamond Income Fund

CONSOLIDATED STATEMENTS OF NET INCOME, COMPREHENSIVE INCOME AND ACCUMULATED LOSS
(Unaudited)

(Expressed in thousands of dollars, except per unit amounts)

	Three months ended		Nine months ended	
	September 30, 2008 $	September 30, 2007 $	September 30, 2008 $	September 30, 2007 $
Revenue	19,699	10,564	51,034	26,915
Direct costs	8,277	3,940	20,634	10,169
	11,422	6,624	30,400	16,746
Expenses				
Selling, general and administrative costs	2,209	1,191	5,748	3,418
Amortization of property and equipment	2,229	1,347	5,990	3,719
Amortization of intangibles	248	248	743	742
Interest on long-term debt	177	288	1,085	855
Unit-based compensation	98	52	262	114
	4,961	3,126	13,828	8,848
Net earnings before income taxes	6,461	3,498	16,572	7,898
Future income tax expense	1,390	1,554	2,579	10,850
Net income (loss) and comprehensive income (loss) for the period	5,071	1,944	13,993	(2,952)
Accumulated loss after accumulated distributions, beginning of period	(5,402)	(10,115)	(8,996)	(957)
Distributions declared	(3,120)	(2,336)	(8,448)	(6,598)
Accumulated loss after accumulated distributions, end of period	(3,451)	(10,507)	(3,451)	(10,507)
Net income (loss) per unit				
Basic	0.44	0.21	1.36	(0.34)
Diluted	0.43	0.21	1.34	(0.34)

Black Diamond Income Fund

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Expressed in thousands of dollars)

	Three months ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
	$	$	$	$
Operating activities				
Net income (loss) for the period	5,071	1,944	13,993	(2,952)
Add non-cash items:				
Amortization of property and equipment	2,229	1,347	5,990	3,719
Amortization of intangibles	248	248	743	742
Future income taxes	1,390	1,554	2,579	10,850
Unit-based compensation expense	98	52	262	114
	9,036	5,145	23,567	12,473
Change in non-cash working capital related to operating activities	(2,854)		(1,839)	
	6,182	3,860	21,728	10,336
Investing activities				
Purchase of property and equipment	(18,017)	(6,517)	(35,803)	(20,941)
Additions to intangibles	—	—	—	(9)
Change in non-cash working capital related to investing activities	5,910		4,399	
	(12,107)	(5,682)	(31,404)	(20,519)
Financing activities				
Proceeds from long-term debt	17,000	4,000	31,700	12,750
Repayment of long-term debt	—	—	(30,420)	(10,000)
Repayment of capital lease	(143)	—	(330)	—
Net proceeds from issuance of units	(29)	(16)	26,457	13,711
Distribution payments	(3,120)	(2,336)	(8,249)	(6,459)
Unit options exercised	—	—	(90)	—
	13,708	1,648	19,068	10,002
Increase (Decrease) in cash	7,783	(174)	9,392	(181)
Cash (Bank indebtedness), beginning of period	2,541	444	932	451
Cash, end of period	10,324	270	10,324	270

The Fund is an unincorporated open ended investment trust governed by the laws of the Province of Alberta. The principal undertaking of the Fund, through its indirect wholly-owned subsidiary, Black Diamond Limited Partnership, is to rent modular structures for use as workforce accommodation and temporary workspace, and to provide complementary services including transportation, installation, dismantling, repair and maintenance of modular structures, as well as related services through three operating divisions consisting of Black Diamond Camps, BOXX Modular, and Black Diamond Energy Services.

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Reader Advisory

Certain information in this news release contains forward-looking statements including management's assessment of future plans and operations of Black Diamond including, without limitation, statements relating to utilization rates, fleet size, revenue and operations, cash flows, EBITDA, margins, payout ratios, capital expenditures, the entering into long term rental agreements, demand from existing and new customers, distribution levels and access to capital. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of 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. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Black Diamond's website (www.blackdiamondincomefund.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.