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BLACK DIAMOND INCOME FUND OPERATIONS UPDATE

Calgary, Alberta — Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to provide the following operations update. At November 30, 2006 the Fund had a total of 849 units in its rental fleets. The Black Diamond Camps division had 429 units operating at 78% utilization. The BOXX Modular division had 420 rental units operating at 86.5% utilization. All of our Black Diamond Camps rental units are contracted for this winter which will increase the utilization rate substantially. We continue to focus on long term guaranteed rental contracts. Our current weighted outstanding contract term is approximately 36 months. This focus provides the Fund with a high degree of certainty around future revenues and distributable cash.

Our capital expenditure program is on schedule. We forecast closing 2006 with a combined total of 926 rental units (representing a 260% year over year when viewed as continuing businesses) with an additional 40 units to be delivered in January 2007. The Fund plans to add approximately 400 new rental units in fiscal year 2007. Management believes that these additions can be funded through retained cash and available debt facilities.

In the current quarter Black Diamond Camps has undertaken a large multi-year program with an upstream oil and gas company which includes 77 units for a project in the Fort McMurray oil sands area. In addition, Black Diamond has been a primary supplier, through one of our customers, of accommodation structures for the Alberta Forestry Pine Beetle Control program. This program represents accommodation facilities for approximately 125 people. Our Black Diamond Site Services division has contracts in hand that represent a healthy backlog of work which will carry on through the winter period, and all other revenue streams continue to track in-line with expectations.

On October 31, 2006, the Government of Canada announced its intention to apply a Distribution Tax on distributions from publicly-traded income trusts. Based on information released by the Minister of Finance, it is expected that this tax will apply only to income distributions made by Black Diamond beginning in 2011. Under the Fund's current structure with the tax deductions available to Black Diamond and the current level of distributions, it is estimated that the Fund will not be taxable prior to 2011 and that all distributions to that point will be a return of capital to unit holders.

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 Site Services.

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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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 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. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements.