**NEWS RELEASE** **March 11, 2008**

# BLACK DIAMOND INCOME FUND REPORTS RESULTS OF OPERATIONS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2007

**Calgary, Alberta —** (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce the results of operations for the fourth quarter and year ended December 31, 2007.

Results of the Fund for the year ended December 31, 2007 were positive and exceeded management's expectations. The results reflect continued strong demand for the Fund's fleet of modular structures, used for both workforce accommodations and temporary space rentals, in all the markets in which the Fund operates.

The primary driver of the Fund's business remains the rental income derived from its fleet of modular structures. The fleet of workforce accommodation units grew from December 2006 to December 2007 by 38% or 187 units while the space rentals fleet grew by 86% or 365 units. The utilization of these fleets remained strong throughout the year averaging 82% for the workforce accommodation units and 85% for the space rental fleet.

Fleet growth and high levels of utilization enabled the Fund to grow revenues in the year to $41.8 million. 78% or $32.8 million of the revenues were derived from the workforce accommodations division, while 19% or $7.8 million was derived from the space rentals division. The remaining 3% or $1.2 million was realized from services provided to third parties. The Fund continues to provide a significant amount of accommodation and space rental structures into the oilsands sector. For the year, the revenue generated from oilsands and oilsands related projects amounted to 67% of the consolidated revenue. 13% of the Fund's revenue was generated from space rental assets not related to oilsands activity with the remaining 20% being sourced from conventional oil and gas activity in western Canada.

Gross profit margins for the year remained strong averaging 59% fluctuating from a high of 72% in the first quarter and a low of 54% in the second quarter. This is reflective of the varying amounts of non-rental revenue generated in a particular period as various ancillary revenue streams are conducted at lower margins as compared to rental revenue, but do not require the use of capital. During the second and fourth quarters the Fund had significant installation and logistics revenue that added to the overall revenue growth but reduced gross margins somewhat. Throughout the year, the gross profit margin realized on the base rental business was consistent at 94%.

The Fund continues to grow without requiring the addition of significant amounts of overhead. The selling, general and administrative costs for the year averaged 13% of revenue. The Fund has added to the management team and now has a team in place to significantly expand the business without the addition of significantly more personnel.

The EBITDA for the quarter was $5.80 million or 39% of revenues and for the year was $19.1 million or 46% of revenues.

The following is a summary of selected financial and operating information that has been derived from and should be read in conjunction with the audited consolidated financial statements for Black Diamond for the year ended December 31, 2007.

| | Three months ended December 31, 2007 | Year ended December 31, 2007 |
|---|---|---|
| **Financial Highlights** | $ | $ |
| Total Revenue | 14,858,888 | 41,773,669 |
| Gross profit | 7,851,215 | 24,597,261 |
| Gross profit % | 53% | 59% |
| EBITDA (1) | 5,800,596 | 19,128,957 |
| EBITDA % (1) | 39% | 46% |
| EBITDA per unit (basic) | 0.62 | 2.16 |
| EBITDA per unit (diluted) | 0.61 | 2.15 |
| Funds flow from operating activities (1) | 5,438,601 | 17,811,093 |
| Funds flow per unit (basic) | 0.58 | 2.01 |
| Funds flow per unit (diluted) | 0.58 | 2.00 |
| Payout ratio (1) | 45% | 51% |
| Net earnings before taxes | 3,644,980 | 11,542,423 |
| Capital expenditures | 11,446,490 | 33,627,873 |
| Property, Plant & Equipment (net) | 71,692,146 | 71,692,146 |
| Total assets (as at period end) | 123,866,552 | 123,866,552 |
| Long Term Debt | 25,419,888 | 25,419,888 |
| Weighted average units - basic | 9,350,000 | 8,866,301 |
| - diluted | 9,447,879 | 8,899,087 |
| **Operational Highlights** | | |
| Workforce Accommodation units in operation at end of period | 681 | 681 |
| Average units in operation for the period | 524 | 557 |
| Average utilization | 77% | 82% |
| Space Rental units in operation at end of period | 783 | 783 |
| Average units in operation for the period | 634 | 662 |
| Average utilization | 81% | 85% |

## Results of Operations

### Revenue

Revenue generated during the fourth quarter was $14.86 million, an increase of 41% over Q307 revenue of $10.56 million. This resulted in gross profit of $7.85 million or a gross profit margin of 53%.

### Workforce accommodation

Workforce accommodation revenue was $12.25 million (82.5% of revenue) for the fourth quarter versus $8.17 million in the third quarter. Utilization of the workforce accommodation fleet averaged 77% for the fourth quarter and 82% for the year. 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 favored. The accommodation units have some seasonality to their usage with the drill camp fleet having a higher degree of utilization during the winter months. However, the Fund has taken a large degree of the seasonality out of its revenue generation due to longer term, paid monthly contracts that a significant portion of its drill camp fleet is contracted under.

During the quarter, the workforce accommodations division generated $4.66 million (38.0%) of its revenue from the rental of its modular accommodation units. The remaining revenue of $7.59 million (62.0%) was primarily generated from sub-lease activity as well as the provision of installation services related to the additional accommodations contracted for at the Canadian Natural Resources Horizon oilsands site. Other non-rental activity such as logistics and fleet sales constituted $1.76 million (14.7%) in revenue for the quarter. These non-rental streams of revenue do not employ any of the Fund's capital and therefore generate substantially lower margins. For the year ended December 31, 2007, the rental revenue generated by the workforce accommodations division was $15.44 million (47.0%) compared with $2.4 million (63.2%) for 2006, while the revenue generated from all other non-rental streams was in aggregate $17.40 million (53.0%) and was $1.4 million (36.8%) in 2006.

### Space rentals

Revenue for the space rentals segment for the fourth quarter was $2.45 million compared to $2.16 million in Q307. Utilization of the space rental fleet averaged 81% and was 85% for the year ended December 31, 2007. Rental revenue for the quarter for the space rentals division was $1.72 million (76.5%) while revenue from other activities such as logistics, installation, the sub-lease of additional fleet and unit sales represented $0.73 million (23.5%). For the twelve month period, this split between rental revenue and other revenue streams for the space rental division was $5.26 million (67.3%) and $2.56 million (32.7%) respectively The split in the rental revenue versus other revenue streams in the space rentals division does not fluctuate from period to period as much as can be seen in the workforce accommodations division.

### Site services

The Fund's service division generated $3.05 million of revenue for the quarter and $6.70 million for the year ended December 31, 2007. 82% of this revenue is generated by providing service to the other divisions of the Fund and is eliminated on consolidation. The remaining 18% of the revenue is generated from third parties representing customers from across the workforce accommodation and space rental divisions.

The site service division represents less than 3% of the Fund's externally generated revenue in the year ended December 31, 2007, so the impact of continued lower drilling activity in western Canada has had a marginal impact on overall results.

### Direct Costs & Gross Profit

Direct costs were $7.01 million for the quarter resulting in a gross profit of $7.85 million or a gross profit margin of 53%. For the year ended December 31, 2007, direct costs were $17.18 million, resulting in a gross profit of $24.60 million or a gross profit margin of 59%. The decreased gross profit percentage from prior quarters is due to a higher proportion of the Fund's consolidated revenue being derived from non-rental sources. For the quarter, approximately 57% of the consolidated Fund revenue was derived from these ancillary revenue streams which had gross profit margins ranging from 10% to 30%. For the year to December 31, 2007, the level of revenue generated from these other areas amounted to 50% of the consolidated Fund revenue.

**Selling, General & Administrative Costs**

Selling, general & administrative costs ("SG&A") excluding unit-based compensation charges for the quarter were $2.05 million (14% of revenue). Overhead costs for the quarter were somewhat higher than those for the year due to recording of management bonuses in the amount of $0.60 million and costs of $0.23 million incurred in respect of due diligence concerning a potential acquisition opportunity which did not materialize. For the year ended December 31, 2007, SG&A was $5.47 million (13% of revenue). Within this figure, personnel costs are the largest item representing approximately 51% of SG&A expenses. Occupancy costs and insurance combine for an additional 18% of SG&A costs. The remaining 31% of SG&A expenses consist of charges for items such as audit, legal, travel, meals & entertainment, bank charges and promotional items. As at December 31, 2007, the Fund employed 24 people in sales and administrative positions, which is six more than at the end of the third quarter and ten more than at the end of 2006.

Unit-based compensation charges are reported separately from the SG&A and were $0.06 million for the quarter and $0.18 million for the year ended December 31, 2007.

**EBITDA**

The Fund's EBITDA was $5.80 million for the quarter which represents an EBITDA margin of 39%. For the year ended December 31, 2007, EBITDA was $19.13 million representing an EBITDA margin of 46%. As noted above, this margin will 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.

**Depreciation & Amortization**

For the quarter, the charge for depreciation and amortization was $1.74 million. This included charges of $1.49 million with respect to depreciation taken on the property and equipment of the Fund and $0.25 million relating to the amortization of the intangible assets. For the year ended December 31, 2007, depreciation and amortization was $6.20 million.

**Interest**

Interest expense for the quarter was $0.36 million and was $1.21 million for the year ended December 31, 2007. This represents interest that was charged on the credit facilities that were drawn down in the respective periods.

**Income Taxes**

For the quarter and for the Year ended December 31, 2007, the Fund incurred an income tax recovery of $0.33 million and a provision of $10.52 million, respectively. The initial impact of the SIFT legislation in Q2 was an income tax provision of $9.30 million. 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.

**DISTRIBUTABLE CASH**

The Fund declared distributions to unitholders of $2.46 million during the quarter and $9.06 million for the Year ended December 31, 2007. This is $0.2633 per unit for the quarter, or the equivalent of $1.08 per unit on an annualized basis.

Management is focused on the distributions as a percentage of Funds Flow from Operations. 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 Flow from Operations is more indicative of the cash generated by the operations in a period which would be available for distribution to unitholders. Funds Flow from Operations for the three months and year ended December 31, 2007 was $5.44 million and $17.81 million. The Payout Ratio for the quarter was 45% while the Payout Ratio for the year ended December 31, 2007 was 51%.

**LIQUIDITY & CAPITAL RESOURCES**

As of December 31, 2007, the Fund had a working capital surplus balance of $2.13 million. The Fund also has an operating credit facility of $5.0 million and an acquisition credit facility of $40.0 million. In addition, the credit facility of the Fund has a $10 million accordion feature allowing the Fund to further increase the acquisition credit facility upon request and approval as required. As at December 31, 2007, the Fund had not drawn on the operating credit facility and had drawn down on the acquisition facility in the amount of $25.4 million. Drawings on both facilities are charged interest based on the previous quarter's funded debt to EBITDA ratio. As at December 31, 2007 the interest rate applied to amounts drawn on the acquisition facility was 6.50%. Both facilities are interest-only with no principal obligations. The Fund does not anticipate any covenant violations or restrictions in the future financing of its operations and capital expenditure programs.

At December 31, 2007, the Fund had the equivalent of 9.35 million units outstanding. This was a combination of 7.28 million Trust units issued and 2.07 million exchangeable partnership units outstanding which are exchangeable into Fund units at a rate of one exchangeable partnership unit for one Trust unit. In addition, the Fund had issued and outstanding 643,178 options pursuant to its Trust unit option plan established in September 2006 in conjunction with the IPO.

**Capital Expenditures**

For the quarter, the Fund expended $11.44 million on additions to property and equipment. The additions to the property and equipment consisted of:

$8.85 million on workforce accommodation structures and ancillary equipment;

$2.26 million on space rental structures with some ancillary equipment; and

$0.33 million on computers, furniture and service related equipment.

The Fund sold equipment in the fourth quarter for proceeds of approximately $1.00 million

For the year to December 31, 2007, the Fund expended $33.62 million on additions to property and equipment. The additions to the property and equipment consisted of:

$19.87 million on workforce accommodation structures and ancillary equipment;

$13.12 million on space rental structures with some ancillary equipment; and

$0.63 million on computers, furniture and service related equipment.

The Fund sold equipment in the year for proceeds of approximately $2.57 million

At December 31, 2007, the Fund had made capital expenditure commitments with key manufacturers of modular structures in the amount of $9.5 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 facilities.

Subsequent to December 31, 2007, the Fund closed an acquisition of workforce accommodation units with a value of $8.5 million. The consideration paid for this acquisition included the issuance of 220,000 Fund units, the assumption of $2.3 million in capital leases and a cash payment of $3.7 million.

## 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 Flow from Operations 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 filed on SEDAR.

## OUTLOOK

Management expects that strong utilization rates and increased fleet size will generate sequentially higher revenue and operating cash flows in the first quarter and throughout 2008. Management anticipates that the Fund's EBITDA margins and payout ratio will continue in line with those generated in the fourth quarter.

First quarter capital expenditures of approximately $15.7 million, representing an additional 175 workforce accommodation and surface rental units, and 99 space rentals units, will contribute to an acceleration of the Fund's revenue and EBITDA growth for the balance of 2008. These capital expenditures include two acquisitions of existing rental assets from third parties. On January 3, 2008, the Fund purchased a variety of surface rental equipment from a private energy services company consisting of 400 barrel tanks, flare tanks, floc tanks, and shale bins for a total of $1.25 million. These assets augment the drill site accommodations assets currently deployed by the Fund. And, on February 29, 2008, the Fund purchased a fleet of 102 workforce accommodation units from a private energy services company for total consideration of $8.61 million. Both acquisitions included the assumption of existing third party rental contracts. These acquisitions demonstrate the Fund's strategy of focused growth through the accretive purchases of revenue generating rental assets. The anticipated balance of first quarter capital expenditures of $5.84 million will be used to acquire new manufactured rental equipment. As a result of these expenditures, the Fund anticipates exiting the first quarter of 2008 with approximately 1,738 rental units representing a year over year increase of 52%.

The Fund continues to secure long term rental agreements for most of its workforce accommodation rental units. These contracts provide the visibility necessary to plan for future growth. As previously disclosed, the Fund plans to expend approximately $36 million on capital assets in 2008. If fully deployed, the 2008 Capital Plan would translate into an approximate 2008 exit fleet size of 2,250 rental units. Management remains confident that there is adequate demand from our existing and new customers to absorb these additional rental units.

Management continues to believe that the Fund's existing debt facilities, along with retained cash after distributions, will be adequate to fund our capital expenditure plans for 2008. Furthermore, 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 consolidated balance sheets as at December 31, 2007 and 2006, the Fund's consolidated statements of net income, comprehensive income and accumulated loss and consolidated statements of cash flows for the year ended December 31, 2007 with the 97 day comparative period from 2006. These statements should be read in conjunction with the audited consolidated financial statements including the accompanying notes for the year ended December 31, 2007 as filed on SEDAR.

## Black Diamond Income Fund
# CONSOLIDATED BALANCE SHEETS

As at

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| | $ | $ |
| **ASSETS** | | |
| **Current** | | |
| Cash | 932,088 | 451,390 |
| Accounts receivable | 9,787,675 | 4,699,171 |
| Prepaid expenses | 411,091 | 264,341 |
| | 11,130,854 | 5,414,902 |
| Property and equipment | 71,692,146 | 45,280,207 |
| Intangibles | 11,727,462 | 12,706,270 |
| Goodwill | 29,316,090 | 29,316,090 |
| | 123,866,552 | 92,717,469 |
| **LIABILITIES AND UNITHOLDERS' EQUITY** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | 8,160,288 | 2,427,818 |
| Distributions payable | 841,500 | 641,410 |
| | 9,001,788 | 3,069,228 |
| Long-term debt | 25,419,888 | 15,669,888 |
| Due to related party | — | 882,841 |
| Future income taxes | 10,521,403 | — |
| | 44,943,079 | 19,621,957 |
| **Commitments** | | |
| **Unitholders' equity** | | |
| Trust units and exchangeable partnership units | 87,750,987 | 74,039,294 |
| Contributed surplus | 168,337 | 13,874 |
| Accumulated loss, after accumulated distributions | (8,995,851) | (957,656) |
| | 78,923,473 | 73,095,512 |
| | 123,866,552 | 92,717,469 |

## Black Diamond Income Fund

# CONSOLIDATED STATEMENTS OF NET INCOME, COMPREHENSIVE INCOME AND ACCUMULATED LOSS

| | Year ended December 31, 2007 $ | Ninety seven days ended December 31, 2006 $ |
|---|---|---|
| **Revenue** | 41,773,669 | 5,608,565 |
| **Direct costs** | 17,176,408 | 1,908,885 |
| | 24,597,261 | 3,699,680 |
| **Expenses** | | |
| Selling, general and administrative costs | 5,468,304 | 1,198,909 |
| Amortization of property and equipment | 5,209,924 | 815,504 |
| Amortization of intangibles | 990,048 | 356,115 |
| Interest on long-term debt | 1,210,735 | 263,234 |
| Unit-based compensation | 175,827 | 13,874 |
| | 13,054,838 | 2,647,636 |
| **Net earnings before income taxes** | 11,542,423 | 1,052,044 |
| Future income tax expense | 10,521,403 | - |
| **Net income and comprehensive income for the period** | 1,021,020 | 1,052,044 |
| Accumulated loss after accumulated distributions, beginning of period | (957,656) | - |
| Distributions declared | (9,059,215) | (2,009,700) |
| **Accumulated loss after accumulated distributions, end of period** | (8,995,851) | (957,656) |
| **Net income per unit** | | |
| Basic and diluted | 0.12 | 0.14 |

# Black Diamond Income Fund
# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year ended<br><br>December 31, 2007<br>$ | Ninety seven days ended<br>December 31, 2006<br>$ |
|---|---|---|
| **Operating activities** | | |
| Net income for the period | 1,021,020 | 1,052,044 |
| Add non-cash items: | | |
| Amortization of property and equipment | 5,209,924 | 815,504 |
| Amortization of intangibles | 990,048 | 356,115 |
| Future income taxes | 10,521,403 | - |
| Unit-based compensation expense | 175,827 | 13,874 |
| | 17,918,222 | 2,237,537 |
| Change in non-cash working capital related to operating activities | (2,877,885) | (1,213,398) |
| | 15,040,337 | 1,024,139 |
| **Investing activities** | | |
| Purchase of property and equipment | (31,621,863) | (15,260,512) |
| Additions to intangibles | (11,240) | - |
| Business acquisition | - | (15,000,000) |
| Change in non-cash working capital related to investing activities | 3,375,101 | 404,125 |
| | (28,258,002) | (29,856,387) |
| **Financing activities** | | |
| Proceeds from long-term debt | 19,750,000 | 15,669,888 |
| Repayment of long-term debt | (10,000,000) | (17,057,254) |
| Net proceeds from issuance of units | 13,711,693 | 32,039,294 |
| Distribution payments | (7,078,888) | (1,368,290) |
| Advance to related party | (1,780,237) | - |
| Repayment of amount due to related party | (882,841) | - |
| Stock options exercised | (21,364) | - |
| | 13,698,363 | 29,283,638 |
| **Increase in cash** | 480,698 | 451,390 |
| Cash, beginning of period | 451,390 | - |
| **Cash, end of period** | 932,088 | 451,390 |

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 logistics, 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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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 effect 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..*