

NEW RELEASE

April 18, 2007

BLACK DIAMOND INCOME FUND ANNOUNCES EXERCISE OF OVER-ALLOTMENT OPTION AND CLOSES BOUGHT DEAL FINANCING

Calgary, Alberta — (TSX: BDI.UN) - Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce that it has closed the previously announced bought deal trust unit financing with a syndicate of underwriters led by Raymond James Ltd. and including BMO Capital Markets, GMP Securities L.P., Canaccord Capital Corporation, and Acumen Capital Finance Partners Limited pursuant to which the underwriters have purchased 1,500,000 trust units at a price of \$8.90 per trust unit for aggregate gross proceeds of approximately \$13,350,000 (the "Offering").

The underwriters fully exercised their over-allotment option to purchase additional trust units from the Fund and, accordingly, an additional 150,000 trust units were issued at a price of \$8.90 per trust unit for gross proceeds of \$1,335,000, increasing the Offering to \$14,685,000.

Net proceeds of the financing will be used to finance its accretive growth capital expansion which includes the recently announced oil sands camp expansion, its workforce accommodation acquisition, its Southern Ontario space rentals fleet acquisition, and for general working capital purposes.

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.

For more information please contact:

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This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution. The securities offered are not, and will not be, registered under the securities laws of the United States of America, nor any state thereof and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

Forward-Looking Statements

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. For more information please contact Black Diamond Income Fund, by its Manager, Black Diamond Group Inc.

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

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