

NEWS RELEASE

October 27, 2008

## **BLACK DIAMOND INCOME FUND**

**Calgary, Alberta** — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce that it has entered into an agreement to acquire a fleet of surface rental assets from a private Alberta energy services company for aggregate consideration of approximately \$11.0 million, comprised of \$8.8 million in cash and the issuance of 278,000 trust units of the Fund. These assets are highly complementary to the Fund's primary business of providing workforce accommodation and temporary workspace solutions. Black Diamond will utilize its debt facilities for the cash component of the acquisition. The transaction is expected to close on or about October 30, 2008.

More specifically this acquisition will:

- 1) Be immediately accretive on a cash flow per unit basis to the unitholders of the Fund. This is a result of Black Diamond anticipating annual operating cash flow from these assets of approximately \$4.0 million. Black Diamond will assume all existing rental and service agreements effective October 1, 2008. The Fund will therefore receive all revenues and associated cash flow for the fourth quarter of 2008 allowing for immediate contribution from the newly acquired assets. This fleet is currently experiencing high utilization which is expected to continue through the 2008/09 winter drilling season;
- 2) Enhance Black Diamond's ability to further leverage its existing customers through the expanded product offering created as a result of the acquisition;
- 3) Provide access to new customers where Black Diamond may be able to deploy workforce accommodations and other assets that exist within its current rental fleet;
- 4) Create additional scale within its existing operations given that a very small complement of operations, sales, and support personnel will be transitioned to Black Diamond; and
- 5) Result in an acquisition of assets significantly below historical levels and current replacement costs.

These acquired assets will be added to the Energy Services division of Black Diamond. There are approximately 800 rental pieces being acquired most of which are recently manufactured and considered to be in excellent condition. The equipment consists of storage tanks, containment systems, and ancillary equipment required at oil and gas drilling and production locations.

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.

**For more information please contact:**

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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. 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](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondincomefund.com](http://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.*