



NEWS RELEASE

February 26, 2009

BLACK DIAMOND INCOME FUND REPORTS RECORD REVENUE AND CASH FLOW FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2008

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") announced today its financial and operational results for the fourth quarter and year ended December 31, 2008.

Year Ended December 31, 2008

Revenue generated was \$73.6 million with EBITDA of \$34.4 million for the year, compared to revenue of \$41.8 million and EBITDA of \$19.1 million in 2007. The 76% increase in revenue and the 80% increase in EBITDA was driven by rental fleet growth and high levels of utilization. The Workforce Accommodations division remained the main source of revenue for the Fund, accounting for 55% of consolidated revenue.

Earnings and capital expenditures also attained record levels as the Fund's income was \$19.9 million which compares to \$1.0 million in 2007. Capital spending was \$67.9 million for the year. Substantially all of the capital equipment which was acquired had contracts in place at the time of delivery.

Gross profit margin remained strong at \$43.9 million or 60%, compared to \$24.6 million or 59% in 2007.

Q4 2008

Revenue generated was \$22.6 million with EBITDA of \$9.7 million for the year, compared to revenue of \$14.9 million and EBITDA of \$5.8 million in 2007. This translates to a 52% increase in revenue and a 67% increase in EBITDA year-over-year. Rental fleet growth, high levels of utilization and the sale of large custom manufactured complexes contributed to the increase.

Earnings and capital expenditures also attained record levels for the quarter as the Fund's income was \$5.9 million which compares to \$4.0 million in 2007. Capital spending was \$26.5 million for the quarter, most of which was deployed on long-term contracts in the Horn River area of northeastern British Columbia.

Gross profit margins were solid at \$13.5 million or 60%, mirroring the average for the year. This compares to \$7.9 million or 53% in 2007.

The Workforce Accommodations division of the Fund continues to provide stability to the Fund's revenue platform through the division's long-term contracts. There remains over 22 months of average outstanding contract term in this division. A significant amount of new equipment was deployed in Q4 2008 under new long-term rental contracts. The subsequent increase in rental revenue from these deployments will be evident in the first quarter of 2009. Further deployment at projects in the Horn River area of northeastern British Columbia will occur in the first and second quarters of this year and will add rental revenue accordingly. At this time, limited additional capital expenditures for workforce housing fleet equipment is anticipated as the current environment has curtailed development of large resource projects such as those in the Canadian oil sands.

The Space Rentals division of the Fund has suffered only a modest decline in utilization despite the general economic slowdown. Management anticipates that this division will experience demand from infrastructure-related projects as stimulus programs are advanced. Power projects, municipal infrastructure, facility maintenance and down-stream oil and gas projects are currently key areas of activity for this division. Management anticipates that this business unit will provide reasonably stable base-line revenue for the Fund through the downturn in resource development.

The Energy Services division of the Fund is the most exposed to the reduction in drilling and completions in western Canada. Although a high percentage of this division's drill camp accommodations rental fleet has been contracted on long-term rental contracts, the surface rentals component has not. However, only 10% of the Fund's rental assets are in this category. Management believes as the drilling and completion industry in western Canada begins to recover, this business unit should benefit very quickly. Management anticipates that the net return over time on these assets will be very strong regardless of periodic volatility.

The Fund continues to distribute \$0.09 per unit per month (\$1.08 per unit annually) resulting in a payout ratio for the year of 36%. Payout for the fourth quarter of 2008 was 34%. Management currently anticipates that the cash generated from operations will be sufficient to allow the Fund to meet ongoing requirements for working capital, maintenance, selling, general & administrative and interest costs as well as distributions to unitholders.

Black Diamond intends to make application to the Toronto Stock Exchange to make a normal course issuer bid to purchase for cancellation, from time to time, as Black Diamond considers advisable, up to 10% of the "public float" of outstanding trust units. Black Diamond's application to make the normal course issuer bid is subject to acceptance by the Toronto Stock Exchange.

Summary Financial Statements

The following is a summary of the Fund's consolidated balance sheets as at December 31, 2008 and 2007, the Fund's consolidated statements of net income, comprehensive income and accumulated loss, and consolidated statements of cash flows for the years ended December 31, 2008 and 2007. These summary statements should be read in conjunction with the Fund's audited consolidated financial statements including the accompanying notes for the years ended December 31, 2008 and 2007 as filed on SEDAR.

Black Diamond Income Fund
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of dollars)

As at	December 31, 2008	December 31, 2007
	\$	\$
ASSETS		
Current		
Cash	—	932
Accounts receivable	19,877	9,787
Prepaid expenses and other current assets	1,846	411
	21,723	11,130
Property and equipment	129,884	71,692
Intangibles	10,737	11,728
Goodwill	29,316	29,316
	191,660	123,866
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Bank indebtedness	4,889	—
Accounts payable and accrued liabilities	9,865	8,160
Distributions payable	1,065	842
Current portion of capital lease obligation	602	—
	16,421	9,002
Capital lease obligation	1,200	—
Long-term debt	42,000	25,420
Future income taxes	12,776	10,521
	72,397	44,943
Commitments		
Unitholders' equity		
Trust units and exchangeable partnership units	119,446	87,751
Contributed surplus	525	168
Accumulated loss, after accumulated distributions	(708)	(8,996)
	119,263	78,923
	191,660	123,866

Black Diamond Income Fund
CONSOLIDATED STATEMENTS OF NET INCOME, COMPREHENSIVE
INCOME AND ACCUMULATED LOSS

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

	Year ended	
	December 31, 2008	December 31, 2007
	\$	\$
Revenue	73,629	41,774
Direct costs	29,777	17,177
	43,852	24,597
Expenses		
Selling, general and administrative costs	9,500	5,468
Amortization of property and equipment	8,977	5,210
Amortization of intangibles	990	990
Interest on long-term debt	1,540	1,211
Unit-based compensation	474	176
	21,481	13,055
Net earnings before income taxes	22,371	11,542
Future income tax expense	2,440	10,521
	19,931	1,021
Net income and comprehensive income for the year	19,931	1,021
Accumulated loss after accumulated distributions, beginning of year	(8,996)	(958)
Distributions declared	(11,643)	(9,059)
Accumulated loss after accumulated distributions, end of year	(708)	(8,996)
Net income per unit		
Basic	1.87	0.12
Diluted	1.85	0.12

Black Diamond Income Fund
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of dollars)

	Year ended	
	December 31, 2008	December 31, 2007
	\$	\$
Operating activities		
Net income for the year	19,931	1,021
Add non-cash items:		
Amortization of property and equipment	8,977	5,210
Amortization of intangibles	990	990
Future income taxes	2,440	10,521
Unit-based compensation expense	474	176
	32,812	17,918
Change in non-cash working capital related to operating activities	(8,412)	(2,878)
	24,400	15,040
Investing activities		
Purchase of property and equipment	(59,888)	(31,622)
Additions to intangibles	—	(11)
Change in non-cash working capital related to investing activities	(1,407)	3,375
	(61,295)	(28,258)
Financing activities		
Proceeds from long-term debt	47,000	19,750
Repayment of long-term debt	(30,420)	(10,000)
Repayment of capital lease	(476)	—
Net proceeds from issuance of units	26,506	13,712
Distribution payments	(10,411)	(7,079)
Advance to related party	(1,008)	(1,780)
Bank indebtedness	4,889	—
Repayment of amount due to related party	—	(883)
Unit options exercised	(117)	(21)
	35,963	13,699
Increase (decrease) in cash	(932)	481
Cash, beginning of year	932	451
Cash, end of year	—	932

Additional Information

A copy of the Fund's audited consolidated financial statements for the years ended December 31, 2008 and 2007 and management's discussion and analysis for the three months and year ended December 31, 2008 have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Conference Call

Black Diamond will host a conference call for analysts, investors and interested parties to discuss its financial and operational results at 5:00 p.m. EST today. Trevor Haynes, President and Chief Executive Officer, and Michael Burnyeat, Vice President, Finance and Chief Financial Officer, will be in attendance. The call can be accessed by calling 403-537-9608 or toll free 1-866-542-4262 prior to the scheduled start time. **[Please call in 10 minutes prior to the start of the call.]** Digital playback of the conference call will be available on the Fund's website.

About Black Diamond

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, rent various types of oilfield equipment used in the exploration and production of oil and gas and to provide complementary services including transportation, installation, dismantling, repair and maintenance of modular structures and oilfield rental equipment as well as related services through three operating divisions consisting of Workforce Accommodations, Space Rentals and 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 including, without limitation, statements relating to utilization rates, fleet size, revenue, cash flows, capital expenditures, further deployment of equipment, demand from existing and new customers and distribution levels. 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.

In this news release, the following terms have been referenced: EBITDA (earnings before interest, taxation, depreciation and amortization), gross profit and payout ratio. Readers are cautioned that these measures are not defined under Canadian Generally Accepted Accounting Principles ("GAAP"). Readers are cautioned that these 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 trust units of the Fund. These Non-GAAP measures should only be used in conjunction with the consolidated financial statements of the Fund. A reconciliation between these measures and measures defined under GAAP is included in management's discussion and analysis for the three months and year ended December 31, 2008 filed on SEDAR.

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