



NEWS RELEASE

August 12, 2009

BLACK DIAMOND INCOME FUND ANNOUNCES INTENTION TO CONVERT TO A DIVIDEND PAYING CORPORATION

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce that its Board of Directors has unanimously agreed to a strategic conversion of the Fund (the "Conversion") to a dividend paying corporation. The Conversion, which the Fund expects to complete on or before December 31, 2009, will allow Black Diamond to continue to expand its proven business model and thereby continue to deliver increasing value to its shareholders and customers. It is anticipated that the Conversion will provide improved access to capital markets without the constraints of the SIFT structure and the associated Safe Harbor growth limitations.

Under the planned Conversion, Black Diamond unitholders will receive one common share in a new dividend paying publicly listed corporation for each Black Diamond trust unit they hold. The Conversion is intended to be tax deferred for Canadian and U.S. income tax purposes.

It is intended that the new corporation will pay an initial monthly dividend equivalent to the current \$0.09 per month (\$1.08 per year) distribution paid by the Fund. It is Black Diamond's understanding that dividends paid in respect of shares held by Canadian individuals outside of a Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), or Deferred Profit Sharing Plan ("DPSP") will be eligible for the enhanced Canadian Dividend Tax Credit. Given that the current year's distributions of the Fund are expected to be 100% taxable, under the intended monthly dividend of \$0.09 per share, Canadian individuals holding shares outside of a RRSP, RRIF or DPSP will receive an increase on an after tax basis when they receive the intended dividend instead of the current distribution.

The planned Conversion requires the approval of Black Diamond unitholders, as well as customary court and regulatory approvals. A management information circular and proxy statement outlining the details of the Conversion will be mailed to Black Diamond unitholders in connection with a unitholder meeting which will be held to approve the Conversion. To be implemented, the Conversion must be approved by not less than two-thirds of the votes cast by unitholders voting at the unitholder meeting. Closing of the Conversion is anticipated on or before December 31, 2009. The Conversion will not trigger any change of control provisions in any employment agreements.

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 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, the affect of the Conversion on acces to the capital markets, the terms of the Conversion, including the exchange ratio and the timing of the completion of the Conversion and the anticipated dividend to be paid by the new corporation following the Conversion. 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.*