



NEWS RELEASE

December 17, 2008

BLACK DIAMOND INCOME FUND IS AWARDED HORN RIVER CAMP CONTRACT

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce that a major Canadian Oil & Gas company has signed a multi-year rental contract for the supply of a 518 person camp in the Horn River area of North Eastern British Columbia.

This facility will offer upgraded guest amenities including executive style bedrooms, a commercial kitchen, a comfortable recreation lounge and a well equipped fitness area. Black Diamond worked closely with the project owner to ensure that the facility's design and specifications met the desired levels of quality and functionality. Project completion and occupancy is on a phased schedule with the entire facility expected to be complete by the second quarter of 2009.

The approximate contract value for both the rental and set up operations will be \$15 million.

The Fund continues to perform well with Q4 results expected to be stronger than Q3. Utilization remains strong across all three operating divisions with a high percentage of assets committed under longer term contracts. A significant amount of expected 2009 revenue is already under firm contract. This revenue visibility leads management to believe that current profitability and cashflow will continue to be generated for the foreseeable future. With the current low pay out ratio and visibility of future cash flows the Fund intends to sustain the current distribution to unitholders.

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.

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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 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.

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