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NEWS RELEASE

March 28, 2007

**BLACK DIAMOND INCOME FUND ANNOUNCES BOUGHT DEAL FINANCING
TO FUND CAPITAL EXPANSION AND INDUSTRIAL ACQUISITION**

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 with a syndicate of underwriters (the "Underwriters"), led by Raymond James Ltd. and including BMO Nesbitt Burns Inc., GMP Securities L.P., Canaccord Capital Corporation, and Acumen Capital Finance Partners Limited, in connection with a "bought deal" trust unit financing by way of short form prospectus of an aggregate of 1,500,000 trust units at a price of \$8.90 per trust unit for aggregate gross proceeds of approximately \$13,350,000, with an over-allotment option in favour of the Underwriters to purchase up to an additional 150,000 trust units at a price of \$8.90 per trust unit, for further gross proceeds of approximately \$1,335,000, which would increase the offering to approximately \$14,685,000, if fully exercised. 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 Trust will be proceeding to file a preliminary short form prospectus with the securities authorities in all the provinces of Canada, excluding the province of Quebec, on or about April 2, 2007. The offering is subject to regulatory approval, including approval of the Toronto Stock Exchange and is expected to close on or about April 18, 2007.

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.

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

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.