NEWS RELEASE **August 12, 2008**

BLACK DIAMOND INCOME FUND REPORTS RESULTS OF OPERATIONS FOR THE SECOND QUARTER ENDED JUNE 30, 2008

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce the results of operations for the second quarter ended June 30, 2008.

Results of the Fund for the period April 1 to June 30, 2008 were positive. The results reflect continued strong demand for the Fund's fleet of modular structures, used for both workforce accommodations and space rentals in all the markets in which the Fund operates.

Fleet growth and high levels of utilization enabled the Fund to grow revenues in the three month period ended June 30, 2008 by 5.4% over the previous quarter despite typically lower seasonal demand in the second quarter as compared to the first. Revenue also grew by 72.1% over the same period in the previous year. The Workforce Accommodations division accounted for 68% or $10.9 million of the revenues. 21% or $3.4 million was derived from the Space Rentals division, while 11% or $1.8 million of the revenues were derived from the Energy Services division. The Fund continues to provide a significant amount of accommodation and space rental structures into the oilsands sector. For the period, the revenue generated from oilsands and oilsands related projects amounted to 72% of the consolidated revenue. 17% of the Fund's revenue was generated from space rental assets not related to oilsands activity with the remaining 11% being sourced from conventional oil and gas activity in western Canada.

The primary driver of the Fund's business remains the rental income derived from the fleet of modular structures owned. From June 2007 to June 2008, the fleet of workforce accommodation units grew by 48% or 203 units, while the space rentals fleet grew by 46% or 304 units. The energy services accommodations fleet grew by 29% or 40 units while this division added 95 units in respect of surface rental assets. The utilization of these fleets remained strong throughout the three months ended June 30, 2008 averaging 97% for the workforce accommodation units, 78% for the space rental fleet, and 84% for the drilling accommodation units. The surface rental equipment averaged 11% utilization for the period due to the severe wet weather conditions throughout the period.

Gross profit margin for the period remained strong averaging 62%. This is reflective of the varying amounts of non-rental revenue generated in a particular period as these ancillary revenue streams are conducted at lower margin levels but do not require the use of capital.

The operations of the Fund continue to grow without the addition of significant amounts of overhead. Consistent with the prior quarter, the selling, general and administrative cost for the period averaged 12% of revenue. Over the previous nine months, the Fund added to its management and staff complement and now is positioned to continue to significantly expand the business without the addition of significantly more personnel.

The EBITDA for the period was $8.15 million or 51% of revenue.

In May, the Fund increased its committed credit facilities to a total of $75.0 million from the previous amount of $45.0 million. The facilities consist of a $10.0 million committed operating credit facility and a $65.0 million committed capital expenditure credit facility. In addition, the capex facility contains a $20 million accordion feature, which would allow the Fund to further increase the capital expenditure credit facility upon request and approval as required.

The Fund closed a bought deal trust unit financing in June pursuant to which 1,980,000 trust units were issued at a price of $14.20 per trust unit for gross proceeds of $28.1 million. After deducting the costs of the offering, the net proceeds were $26.5 million. Following this offering, the Fund has a total of 11,553,500 units outstanding.

The Fund currently distributes $0.09 per unit per month (the equivalent of $1.08 per unit annually) resulting in a payout ratio of 37% for the period.

The following is a summary of selected financial and operating information that has been derived from and should be read in conjunction with the unaudited interim consolidated financial statements for Black Diamond for the three and six months ended June 30, 2008.

	Three months ended June 30		Six months ended June 30	
(in thousands of dollars, except as noted)	2008	2007	2008	2007
Financial Highlights	$	$	$	$
Total revenue	16,081	9,344	31,335	16,350
Gross profit	10,031	5,060	18,978	10,122
Gross profit %	62%	54%	61%	62%
Selling, general & administrative	1,883	1,156	3,539	2,227
Selling, general & administrative %	12%	12%	11%	14%
EBITDA	8,148	3,904	15,439	7,895
EBITDA %	51%	42%	49%	48%
Net earnings before taxes	5,339	2,102	10,111	4,399
Net income (loss)	4,955	(7,194)	8,922	(4,897)
Capital expenditures	8,029	5,584	23,239	15,358
Property, plant & equipment	90,833	57,333	90,833	57,333
Total assets (as at period end)	143,659	105,897	143,659	105,897
Long-term debt	11,205	14,420	11,205	14,420
Operational Highlights				
Workforce accommodation units in operation at end of period	624	421	624	421
Average utilization during the period	97%	77%	97%	84%
Space rental units in operation at end of period	972	668	972	668
Average utilization during the period	78%	86%	78%	86%
Drilling accommodation units in operation at end of period	178	138	178	138
Average utilization during the period	84%	68%	88%	79%
Surface rental equipment in operation at end of period	95	-	95	-
Average utilization during the period	11%	-	28%	-
Consolidated number of units	1,869	1,227	1,869	1,227
Average utilization during the period	82%	81%	83%	85%

Results of Operations

Revenue

Consolidated revenue generated for the second quarter of 2008 (hereafter referred to as the "Period") was $16.08 million compared to $9.34 million in 2007. For the six months ended June 30, 2008 revenues were $31.34 million compared to $16.35 million for the comparable six months in 2007.

Workforce Accommodations

Revenue was $10.94 million (68% of consolidated revenue) for the Period compared to $6.40 million (69% of consolidated revenue) for the same period in 2007. For the six months ended June 30, 2008, revenue was $20.70 million (66% of consolidated revenue) compared to $10.50 million (64% of consolidated revenue) in 2007.

At the end of June 2008, the workforce accommodation fleet had 624 units. This represents an increase of 203 units (48%) from June 2007. The fleet size was unchanged in the second quarter of 2008.

Utilization of the workforce accommodation fleet averaged 97% for the Period compared to 76% in 2007. The increase is due to a major contract which began in the summer of 2007. The utilization is a reflection of the type of equipment the Fund deploys as well as the longer term nature of the rental contracts the Fund has favored. The workforce accommodation units typically do not experience any significant seasonality. Their usage on projects requiring larger complements of labor in remote areas tend to start and operate without regard to the time of year.

During the Period, the workforce accommodations division generated $4.52 million (41%) of its revenue from the rental of its modular accommodation units. The remaining revenue of $6.42 million (59%) was primarily generated from sub-lease activity as well as the provision of installation services related to the additional accommodations contracted for at the Canadian Natural Resources Horizon oilsands site. The sub-lease and installation activities do not employ any of the Fund's capital and therefore generate lower gross margins. Comparatively, for the period ended June 30, 2007, the rental revenue generated by the workforce accommodations division was $2.81 million (40%), while the revenue generated from all other non-rental streams was in aggregate $4.17 million (60%).

Space Rentals

Revenue for the space rentals segment for the Period was $3.39 million (21% of consolidated revenue) compared to $2.02 million for 2007 (22% of consolidated revenue). For the six months ended June 30, 2008, revenues were $5.99 million (19% of consolidated revenue) compared to $3.20 million (20% of consolidated revenue) in 2007. The increases are due to continued fleet additions, the majority of which occurred in Alberta.

The fleet size of space rentals has increased by 46% or 304 units from June 2007. The majority of the fleet additions occurred in Alberta in concert with the stronger economic environment in Alberta. During the second quarter of 2008, the fleet grew by 14% or 120 units, which was mainly due to fleet additions in Ontario.

Utilization of the space rental fleet averaged 78% for the Period compared to 86% for the same period in 2007. This small decline in utilization rate was primarily due to the arrival of newly manufactured fleet units towards the end of the Period and a short timing difference as to when they go on rent with customers.

Rental revenue for the Period for the space rentals division was $2.02 million (59%) compared to $1.25 million (62%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet and unit sales represented $1.38 million (41%) compared to $0.77 million (38%) in 2007. For the six month period, this split between rental revenues and other revenue streams for the space rental division was $3.66 million (61%) and $2.33 million (39%) respectively. For comparison, six months results in 2007 showed rental revenues of $2.06 million (64%) and other revenue streams of $1.14 million (36%). The split in the rental revenue versus other revenue streams in the space rentals division does not fluctuate from period to period as much as can be seen in the workforce accommodations division. However, consistent with workforce accommodations, these ancillary revenue streams do not employ any of the Fund's capital and typically generate lower gross margins.

Energy Services

Revenue generated by Energy Services was $3.06 million for the Period compared with $2.07 million in 2007. For the six months ended June 30, 2008, revenues were $7.44 million compared to $4.31 million in 2007. Rental revenue for the Period was $1.18 million (39%) compared to $0.58 million (28%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet and unit sales represented $0.34 million (11%) compared to $nil in 2007. The remaining $1.54 million was generated in the Period by providing repair, installation and dismantling services to external customers and to other segments of the Fund. Of the $1.54 million of service work provided in the Period, $0.23 million (15%) of the revenue is generated from third party customers, while $1.31 million (85%) was generated by providing services to the Workforce Accommodations and Space Rental divisions and was thus eliminated on consolidation. For the six months ended June 30, 2008, rental revenue for the Period was $2.62 million (35%) compared to $1.92 million (26%) in 2007 while revenue from other activities such as logistics, installation, sub-lease of additional fleet and unit sales represented $1.41 million (19%) compared to $nil in 2007. The remaining $3.41 million was generated in the Period by providing repair, installation and dismantling services to external customers and to other segments of the Fund. Of the $3.41 million of service work provided in the six months ended June 30, 2008, $0.66 million (19%) of the revenue is generated from third party customers, while $2.75 million (81%) was generated by providing services to the Workforce Accommodations and Space Rental divisions and was thus eliminated on consolidation.

Rental revenue tends to have a higher degree of seasonality in this division. The drill camps, free standing fleet, geologist/engineer quarters and staff quarters as well as the surface rental assets would typically have a higher degree of utilization during the winter months when drilling activity is higher. The Fund has taken a large degree of the seasonality out of its revenue generation by contracting a significant portion of its drill camp fleet under longer term, paid monthly contracts.

Drilling accommodations equated to 173 units at the end of March 2008 versus 149 at March 2007. This represented drill camps as well as a compliment of free standing sleepers and support units. This fleet averaged utilization of 84% for the Period, compared with 68% for the same period in 2007. Substantially all of the drill camps are under long term contract to large oil companies with an average remaining contract term of approximately 17 months. The drilling accommodations comprise 89% of the asset value within the Energy Services segment.

Surface equipment rentals began in January 2008 and as a result of poor weather in May and June, showed utilization of 11% for the Period on an asset base of 95 units. This fleet is complementary to the drilling accommodations equipment and represents less than 2% of the Fund's asset value.

Direct Costs & Gross Profit

Direct costs were $6.05 million for the Period resulting in a gross profit of $10.03 million or a gross profit margin of 62% compared with 2007 direct costs of $4.28 million resulting in a gross profit of $5.06 million or a gross profit margin of 54%. For the six months ended June 30, 2008, direct costs were $12.36 million, resulting in a gross profit of $18.98 million or a gross profit margin of 61%. Direct costs for the comparable period in 2007 were $6.23 million, which resulted in gross profit of $10.12 million and a gross profit margin of 62%.

Direct costs attributable to the revenue in arriving at the gross profit are the labor, fuel, materials, freight and maintenance required in maintaining, servicing and moving the units to the contracted sites. In addition, there are often opportunities for the Fund to sell some units from its fleet, rent equipment from third parties and re-rent the equipment, provide logistics services or to provide installation and other services to customers. The net book value of sold units, costs of units sub-leased from others and the cost of transport from third parties are included in the direct costs. Revenue streams ancillary to the rental revenue are generally at lower gross margins than the fleet rental operations. Therefore, depending on the level of revenue generated from these other activities in any given period, gross profit margins may fluctuate. For the Period, approximately 52% of the consolidated Fund revenues were derived from these ancillary revenue streams which had gross profit margins ranging from 10% to 30% compared to 57% of revenue generated from non-rental activity in 2007. For the six months to June 30, 2008, the level of revenues generated from these other areas amounted to 52% of the consolidated revenue compared to 53% in 2007.

Selling, General & Administrative Costs

Selling, general & administrative costs ("SG&A") excluding unit-based compensation charges for the Period were $1.88 million (12% of revenue) compared to $1.16 million (12% of revenue) for the same period in 2007. For the six months ended June 30, 2008, SG&A was $3.54 million (11% of revenue) compared to $2.23 million (14% of revenue) in 2007. Within this figure, personnel costs are the largest item representing approximately 51% of SG&A expenses, which is slightly higher than 45% for the same period in 2007. Occupancy costs and insurance combine for an additional 17% of SG&A costs which is down from 20% in the 2007 period. The remaining 38% of SG&A expenses consist of charges for items such as audit, legal, travel, meals and entertainment, bank charges and promotional items which is slightly higher than 35% in 2007. As at June 30, 2008, the Fund employed 32 people in sales and administrative positions, which is thirteen more than as at June 30, 2007.

Unit-based compensation charges are reported separately from the SG&A and were $0.10 million for the period ended June 30, 2008 compared with $0.04 million in 2007. For the six month period ended June 30, 2008 charges were $0.16 million compared to $0.06 million in 2007. Unit-based compensation was determined using a Black-Scholes valuation method.

EBITDA

The Fund's Earnings before Income Taxes, Depreciation, Amortization and Unit Based Compensation ("EBITDA" see "Non-GAAP measures") was $8.15 million for the Period compared to $3.86 million in 2007. This represents an EBITDA margin of 51% compared to 41% in 2007. For the six months ended June 30, 2008 EBITDA was $15.44 million and $7.83 million for the same period in 2007, which resulted in EBITDA margins of 49% and 48%, respectively. As noted above, this margin may fluctuate from period to period depending on the level and mixture of the revenue generated from the rental of the fleet assets as compared to the ancillary revenue streams such as logistics, installation, sublease and services provided.

Amortization

For the Period, the charge for amortization was $2.27 million compared to $1.50 million in 2007. This included charges of $2.03 million with respect to amortization taken on the property and equipment of the Fund and $0.24 million relating to the amortization of the intangible assets. Comparatively, amortization for the first quarter of 2007 was $1.26 million and $0.24 million, respectively. For the six months ended June 30, 2008, the charge for amortization was $4.26 million compared to $2.87 million in 2007. The intangible assets were valued and booked in respect of the purchase of the business from Black Diamond Leasing Inc. at the time of the initial public offering and have estimated useful lives ranging from 4 to 20 years.

Interest Expense

Interest expense for the Period was $0.44 million compared with $0.25 million in 2007. For the six months ended June 30, 2008 interest expense was $0.91 million compared to $0.57 million in 2007. This represents interest that was charged on drawings on the credit facilities in the respective periods.

Income Taxes

Pursuant to legislation enacted in June 2007, commencing in January 2011 (provided that the Fund experiences only "normal growth" and no "undue expansion" before then) the Fund will be liable for tax at the corporate income tax rate (which is currently proposed to be the federal corporate rate combined with the provincial income tax rate for each province in which the specified investment flow-through ("SIFT") has a permanent establishment) on all income payable to Unitholders, which the Fund will not be able to deduct as a result of being characterized as a SIFT trust.

The Fund has made provision for the future tax liability associated with the above amendments in the SIFT taxation. For the Period, the Fund incurred an income tax provision of $0.80 million. There is no current portion of this charge, and as such it has been reflected as a future tax liability on the balance sheet. This liability arises due to the differences in the book value and the tax value of the assets held by the Fund that are expected to reverse after 2010.

This liability and expense has been calculated at the enacted tax rate of 28%. At June 30, 2008, the future tax liability was calculated at $11.71 million compared to $9.30 million in 2007. The increase is due to the addition of rental fleet units in the prior twelve months.

DISTRIBUTABLE CASH

The Fund declared distributions to unitholders of $2.76 million during the Period and $2.34 million for the period ended June 30, 2007. This is $0.27 per unit for the Period, or the equivalent of $1.08 per unit on an annualized basis.

Management is focused on the distributions as a percentage of Funds available for distribution. In this measure, changes in non-cash working capital are excluded. Changes in non-cash working capital balances will be a source of cash in one period and a use of cash in another depending on changes in the level of activity in a particular period and other factors. Management believes Funds available for distribution is more indicative of the cash generated by the operations in a period which would be available for distribution to unitholders. Funds available for distribution for the Period was $7.71 million compared with $3.62 million for the second quarter of 2007 – a 113% increase.

LIQUIDITY & CAPITAL RESOURCES

As of June 30, 2008, the Fund had a working capital surplus balance of $3.45 million. As of May 5, 2008, the Fund had revised its credit facilities such that it now has a committed operating credit facility of $10.0 million (increased from a previous $5.0 million facility) and a committed capital expenditure credit facility of $65.0 million (increased from a previous $40.0 million facility). In addition, the capital expenditure credit facility of the Fund has a $20.0 million accordion feature which would allow the Fund to further increase the capital expenditure credit facility upon request and approval as required. As at June 30, 2008, the Fund had drawn $nil on the operating credit facility and had drawn down on the acquisition facility in the amount of $9.70 million. Drawings on both facilities are charged interest based on the previous quarter's funded debt to EBITDA ratio. As at June 30, 2008 the interest rate applied to amounts drawn on the acquisition facility was 5.01%. Both facilities are interest-only with no principal repayment obligations. The Fund does not anticipate any covenant violations or restrictions in the future financing of its operations and capital expenditure programs.

At June 30, 2008, the Fund had the equivalent of 11.55 million trust units outstanding. This was a combination of 9.79 million issued and outstanding trust units and 1.76 million trust units reserved for issuance pursuant to the exchange of 1.76 exchangeable partnership units which were issued and outstanding as at June 30, 2008. In addition at June 30, 2008, the Fund had 893,160 trust units reserved for issuance pursuant to the exercise of options which have been granted pursuant to its trust unit option plan.

Capital Expenditures

For the Period, the Fund expended $8.03 million (2007 – $5.58 million) on additions to property and equipment. The additions to the property and equipment consisted of:

- $0.84 million (2007 – $3.03 million) on workforce accommodation structures and ancillary equipment;
- $4.65 million (2007 – $2.53 million) on space rental structures with some ancillary equipment ;
- $2.30 million (2007 – nil) on energy services accommodation structures and ancillary equipment;
- $0.24 million (2007 – $0.02 million) on computers, furniture and service related equipment.

For the six months ended June 30, 2008, the Fund expended $23.24 million (2007 – $15.36 million) on additions to property and equipment. The additions to the property and equipment consisted of:

- $10.02 million (2007 – $7.51 million) on workforce accommodation structures and ancillary equipment;
- $8.41 million (2007 – $7.67 million) on space rental structures with some ancillary equipment ;
- $4.41 million (2007 – nil) on energy services accommodation structures and ancillary equipment;
- $0.40 million (2007 – $0.18 million) on computers, furniture and service related equipment.

At June 30, 2008, the Fund had made capital expenditure commitments with key manufacturers of modular structures in the amount of $26.4 million for delivery in 2008. It is management's intention to meet the funding requirements for these commitments through a combination of internally generated cash flow and available funds from credit facilities.

NON-GAAP MEASURES

In the foregoing discussion, the following terms have been referenced: EBITDA (Earnings before Interest, Taxation, Depreciation and Amortization), EBITDA Margin, Gross Profit, Funds available for distribution and Payout ratio. Readers are cautioned that these measures are not defined under Generally Accepted Accounting Principles ('GAAP'). 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 Units. These Non-GAAP measures should only be used in conjunction with the consolidated financial statements of Black Diamond Income Fund. A reconciliation between these measures and measures defined under GAAP is included in the Fund's Management's Discussion and Analysis for the three months ended June 30, 2008 filed on SEDAR.

OUTLOOK

Management is pleased with the solid results generated by the Fund in the second quarter. Management believes that current contracts in place and operating levels will continue into the third quarter. Management anticipates Q3 revenues to be marginally higher than Q2 due to increased operations related to the logistics and installation of new rental equipment being added to the Fund's fleets and positioned on customer sites. As well, the Fund will see increased activity related to the repositioning of existing fleet as the Canadian Natural Resources Horizon Oil Sands project begins to ramp down. Gross margin and EBITDA are expected to remain consistent with those generated in the first half of 2008.

The Fund is currently undergoing a large capital expansion program with equipment deliveries scheduled throughout the second half of 2008. Total committed capital for the remainder of the year is approximately $26.5 million. This capital is allocated amongst the three rental divisions as follows: $12.5 million to Workforce Accommodations; $4.5 million to Space Rentals; and $9.5 million to Energy Services. Substantially all of the Workforce Accommodations fleet additions are contracted with terms averaging close to 36 months. In addition, a significant amount of the new drilling accommodations equipment being added to the Fund's Energy Services division has been contracted on long term paid monthly contracts. These contracts along with existing long term contracts will provide the Fund with continued stability and visibility for future revenue and cash flows.

In conjunction with the capital build, the Fund has secured contracts with its rental customers to transport and install much of the new fleet. This will add meaningfully to the Fund's non-rental revenue streams in the remaining two quarters of 2008. The Fund has also secured contracts for the sale of custom built structures both in Ontario and Alberta with an aggregate value of approximately $9 million. Revenue for these projects will be realized over the next three quarters and will contribute to the Fund's non-rental income. Management is pleased that the scale of business and sales channel is such that these types of opportunities are increasingly available to the Fund.

Even though management of the Fund favors long term contracts and allocates capital to equipment that is more likely to work on long term contracts, these rental terms do eventually expire. Management's performance over time may be assessed by its ability to manage the repositioning of fleet assets between projects while maintaining consistently high rates of utilization and rental rates. This is the case with the Canadian Natural Resources Horizon Oil Sands project which is set to ramp down as the current construction phase nears completion. Rental revenues from this project will begin to expire at the end of the third quarter and into the fourth quarter. As demand for this equipment is high management is confident that substantially all of the Fund's equipment on this project will be redeployed onto other projects before year end. A portion of this equipment has already been re-contracted to other customers. The potential gap in rental income during the repositioning period should be made up for the Fund's operations revenue related to the dismantling, relocation, and installation of this equipment.

Capital expenditures for 2008 are expected to be approximately $49 million. When fully deployed this capital spend should translate into an approximate 2008 exit fleet size of 2,250 rental units. Management anticipates that rental fleet additions will result in a corresponding increase in revenues to the Fund beginning in the fourth quarter and having full effect throughout 2009.

Management continues to believe that the Fund's debt facilities along with retained cash after distributions will be adequate to fund the Fund's capital expenditure plans. Furthermore, Management remains confident that the Fund can sustain the current distribution payout to unitholders for the foreseeable future.

SUMMARY FINANCIAL STATEMENTS

The following is a summary of the Fund's unaudited interim consolidated balance sheets as at June 30, 2008, the Fund's consolidated statements of net income, comprehensive income and accumulated loss and consolidated statements of cash flows for the three months ended June 30, 2008. These statements should be read in conjunction with the unaudited interim consolidated financial statements including the accompanying notes for the three months ended June 30, 2008 as filed on SEDAR.

Black Diamond Income Fund

CONSOLIDATED BALANCE SHEETS

(unaudited)

As at

(Expressed in thousands of dollars)

	June 30, 2008	December 31, 2007
	$	$
ASSETS		
Current		
Cash	2,541	932
Accounts receivable	9,086	9,787
Prepaid expenses and other assets	651	411
	12,278	11,130
Property and equipment	90,833	71,692
Intangibles	11,232	11,728
Goodwill	29,316	29,316
	143,659	123,866
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	7,204	8,160
Distributions payable	1,040	842
Current portion of capital lease	585	—
	8,829	9,002
Capital lease obligation	1,505	—
Long-term debt	9,700	25,420
Future income taxes	11,710	10,521
	31,744	44,943
Unitholders' equity		
Trust units and exchangeable partnership units	117,103	87,751
Contributed surplus	214	168
Accumulated loss, after accumulated distributions	(5,402)	(8,996)
	111,915	78,923
	143,659	123,866

Black Diamond Income Fund

CONSOLIDATED STATEMENTS OF NET INCOME, COMPREHENSIVE INCOME AND ACCUMULATED LOSS

(Unaudited)

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

	Three months ended		Six months ended	
	June 30, 2008	**June 30, 2007**	**June 30, 2008**	**June 30, 2007**
	$	**$**	**$**	**$**
Revenue	16,081	9,344	31,335	16,350
Direct costs	6,050	4,284	12,357	6,228
	10,031	5,060	18,978	10,122
Expenses				
Selling, general and administrative costs	1,883	1,156	3,539	2,227
Amortization of property and equipment	2,027	1,257	3,761	2,372
Amortization of intangibles	248	248	495	495
Interest on long-term debt	436	253	908	567
Unit-based compensation	98	44	164	62
	4,692	2,958	8,867	5,723
Net earnings before income taxes	5,339	2,102	10,111	4,399
Future income tax expense	384	9,296	1,189	9,296
Net income (loss) and comprehensive income (loss) for the period	4,955	(7,194)	8,922	(4,897)
Accumulated loss after accumulated distributions, beginning of period	(7,594)	(585)	(8,996)	(957)
Distributions declared	(2,763)	(2,336)	(5,328)	(4,261)
Accumulated loss after accumulated distributions, end of period	(5,402)	(10,115)	(5,402)	(10,115)
Net income (loss) per unit				
Basic	0.50	(0.80)	0.92	(0.58)
Diluted	0.49	(0.80)	0.90	(0.58)

Black Diamond Income Fund

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Expressed in thousands of dollars)

	Three months ended		Six months ended	
	June 30, 2008	**June 30, 2007**	**June 30, 2008**	**June 30, 2007**
	$	$	$	$
Operating activities				
Net income (loss) for the period	4,955	(7,194)	8,922	(4,897)
Add non-cash items:				
Amortization of property and equipment	2,027	1,257	3,761	2,372
Amortization of intangibles	248	248	495	495
Future income taxes	384	9,296	1,189	9,296
Unit-based compensation expense	98	44	164	62
	7,712	3,651	14,531	7,328
Change in non-cash working capital related to operating activities	1,475	(111)	1,016	(851)
	9,187	3,540	15,547	6,477
Investing activities				
Purchase of property and equipment	(7,860)	(4,687)	(17,785)	(14,425)
Additions to intangibles	—	—	—	(9)
Change in non-cash working capital related to investing activities	1,864	(2,181)	(1,511)	(404)
	(5,996)	(6,868)	(19,296)	(14,838)
Financing activities				
Proceeds from long-term debt	7,700	2,000	14,700	8,750
Repayment of long-term debt	(30,420)	(10,000)	(30,420)	(10,000)
Repayment of capital lease	(141)	—	(188)	—
Net proceeds from issuance of units	26,486	13,727	26,486	13,727
Distribution payments	(2,585)	(2,199)	(5,130)	(4,123)
Unit options exercised	(82)	—	(90)	—
	958	3,528	5,358	8,354
Increase (Decrease) in cash	4,149	200	1,609	(7)
Cash (Bank indebtedness), beginning of period	(1,608)	244	932	451
Cash, end of period	2,541	444	2,541	444

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:

Black Diamond Income Fund, by its Manager;
Black Diamond Group Inc.

Trevor Haynes
President and Chief Executive Officer
Phone: (403) 206-4737
Fax: (403) 264-9281

Michael Burnyeat
Vice President, Finance and Chief Financial Officer
Phone: (403) 206-4740
Fax: (403) 264-9281

Website: www.blackdiamondincomefund.com

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 and operations, cash flows, EBITDA, margins, payout ratios, capital expenditures, the entering into long term rental agreements, demand from existing and new customers, distribution levels and access to capital. 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.