



NEWS RELEASE

DATE: December 8, 2005

DIVERSIFIED'S DVS 6000 SALES CONTINUE TO ACCELERATE

Edmonton, Alberta -- Diversified Industries Ltd. (TSX Venture: DVS) is pleased to announce the continued acceleration of DVS 6000 sales, the Company's H₂S (hydrogen sulfide) scavenger used for sweetening sour oil and sour gas. Sales for the most recently completed fiscal year ended August 31, 2005 were approximately \$256,000, an increase of more than 150% over the prior fiscal year. Sales for the most recent quarter, ended November 30, 2005, have exceeded \$180,000, a record for quarterly revenue, and more than 70% of last year's annual revenue. This level of growth demonstrates ongoing industry acceptance of DVS 6000.

"I believe that Diversified is succeeding in building a solid foundation and is poised for rapid growth," says Stephen Davis, President & CEO of Diversified.

"In 2003/04 we started conducting field trials with a few small oil & gas related companies to prove that DVS 6000 would work in multiple applications."

"In 2004/05 we expanded our sales efforts to the mainstream oil and gas marketplace. We are now beginning to see the results of these efforts, as our last quarter's sales clearly demonstrate."

In the past year Diversified has sold product to companies such as Canadian Crude Separators, Husky Energy, Acclaim Energy, Anadarko, Safety Boss, Devon Canada and Producers Oilfield Services, to name a few. DVS 6000 has also recently been approved for use by Shell Canada.

In October 2005, Diversified signed a distribution agreement with Brenntag Canada Inc., a division of one of the world's largest chemical distributors. Brenntag's technical sales force is providing Diversified with the reach it needs to market DVS 6000 to a large and growing national and international client base.

Brenntag is selling the DVS 6000 on the following benefits:

- DVS 6000 can be used to treat sour gas, sour liquid hydrocarbons and sour water.
- DVS 6000 can be used as an effective odour control product.
- DVS 6000 is safe and easy to use, contains no formaldehyde or ammonia.
- DVS 6000 is non-flammable, non-corrosive, and has a non-toxic by-product.
- DVS 6000 can be disposed of by injecting in Class 1b disposal wells according to the Alberta EUB.
- DVS 6000 is not regulated by Transport Canada.
- DVS 6000 has proven to be cost effective in a variety of applications.

As a result of these benefits:

- DVS 6000 continues to attract new clients with new applications.
- DVS 6000 continues to be used by small and large oil & gas companies.
- DVS 6000 is being sold by two of the largest chemical distributors in the world.
- **DVS 6000 sales have hit record highs in the most recent quarter.**

"We are building value for our shareholders and I encourage potential investors or current shareholders to call me at 250-743-1734 at any time with your questions. Diversified is a product development company dealing with inventors. We have several technologies now under review and will move forward with new technologies based on the continued positive results from our first product launched, DVS 6000" says Davis.

Statements made in this news release that relate to future plans, expectations, events or performances are forward-looking statements. Such statements involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in these forward-looking statements.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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