



NEWS RELEASE

DATE: August 9, 2004

FOR IMMEDIATE RELEASE:

Diversified Industries appoints Vice President of Operations & Engineering

Sidney, British Columbia -- Stephen Davis, President & Chief Executive Officer of Diversified Industries Ltd. (TSX Venture: DVS), is pleased to announce the appointment of Thomas W. A. Devereux as Vice President of Operations & Engineering for the Company, effective immediately. With extensive experience in operations and his engineering background, Mr. Devereux will be a significant resource for the Company, managing both the diverse technologies being developed by Diversified and the key personnel working on these technologies. Mr. Devereux has been a member of the Company's Board of Directors since July 2001.

As Vice President, Operations & Engineering, Mr. Devereux will lead the development of the proprietary technologies that Diversified is pursuing. He will be responsible for establishing the facilities in Edmonton, Alberta, where the Company plans to further develop its DVS 6000 hydrogen sulphide scavenger that is being sold to customers in the oil and gas industry in Canada and the United States. He will continue to be the project lead on the Company's new lightweight proppant material that is undergoing further research and development on behalf of Diversified by a group in the United States. As well, he will be actively involved in developing the second-generation Therma-light Reflective Technology. Mr. Devereux will be based in Edmonton.

Mr. Devereux has a B.Sc. in Chemical Engineering and is a professional engineer. He has over 40 years experience in both process and product development in the metallurgical, chemical and agricultural industries. Prior to joining Diversified's management team, he was responsible for the manufacturing and customer service functions of a company providing innovative water treatment solutions.

Headquartered in Sidney, B.C., Diversified Industries specializes in the development and commercialization of innovative products and solutions that target a cross-section of industries. The Company's business development strategy is based on acquiring, funding and aiding in the commercialization of proprietary technologies and products in order to build long-term value for its shareholders.

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

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