



Diversified
Industries Ltd.

TSX-V Trading Symbol: DVS

January 19, 2004

PRESS RELEASE

DR. ARRISON JOINS THE DIVERSIFIED TEAM

Diversified Industries Ltd. ("Diversified" or the "Company") is pleased to announce that Dr. Norman Arrison has agreed to join the Diversified management team and will carry the title of Director of Technology Development. We welcome him and believe that the Company and its shareholders will benefit as he becomes more involved in the day-to-day operations. For the past year, Dr. Arrison has been an active member of Diversified's Board of Directors. As a Director, Dr. Arrison has already introduced Diversified to possible distribution partners for its DVS 6000 scavenger technology in Russia, India and China. Diversified will continue to design new and patentable technology with Dr. Arrison based on a high-powered arc lamp. Dr. Arrison's experience will also assist Diversified in the continued development of its DVS 6000 scavenger technology and the lightweight fracturing material.

Over the past 30 years, Dr. Arrison has written a number of papers, been accredited with several patents and has developed his own small refineries, which are now operating in several countries.

Dr. Arrison has earned Bachelors, Masters and Doctorate Degrees in Engineering. As well, Dr. Arrison has affiliations with The Association of Professional Engineers of the Province of Ontario and The Association of Professional Engineers, Geologists and Geophysicists of Alberta.

Dr. Arrison was twice appointed by the Canadian Federal Government to serve on the Science Council of Canada, and in 2003 was nominated by the United Nations International Director of Operations for a Tech Museum Award (<http://techawards.thetech.org/>) based on his latest invention, a device that makes water out of the air.

Dr. Arrison has worked with companies such as Atomic Energy of Canada, Global Thermoelectric Power Systems Ltd., and the Alberta Laser Institute. Dr. Arrison will now be working with Diversified on the achievement of the Company's strategic goal of diversifying its intellectual property portfolio.

The Company is no longer moving forward with the technology acquisition as originally described in its release dated October 3, 2003. As part of the acquisition agreement, three of the individuals (Arrison, Jeong, and Kong) were going to work for Diversified. During negotiations over the last two months, the Company was unable to arrive at reasonable terms of employment with Jeong (who was going to become an employee of the Company) or Kong (who was going to become a sales representative for Asia). As a result, all parties have agreed to terminate the agreement. Dr. Arrison will continue with his original work on the light technology, and will bring his experience and know-how into Diversified to develop the technology independently under terms and conditions that will not require TSX Venture Exchange approval at this time. As a result of the termination of the previous agreement, no transfer of existing technology, transfer of Diversified stock, or granting of stock options has taken place.

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History of the High Powered Arc-Lamp Technology:

The high powered arc-lamp or “whitelight” technology was first developed by Dr. D.M. Camm at the University of British Columbia in the early-to-mid 1970’s. Plasma physics research conducted by Dr. Camm led to a remarkable technique for sustaining an extremely high temperature plasma arc (source temperature 14000°K) within a transparent containment vessel surface-cooled with high velocity water.

Each arc-lamp system requires three main components in order to operate: a lamphead, a control system, and a supply system. The supply and control systems contain all the hardware and software necessary to operate the lamphead and supply it with appropriate gas, power, and cooling liquid. There are several options available in terms of third party contractors who are capable of building the various components required to operate the new lamphead recently designed and protected by Dr. Arrison.

Dr. Arrison currently has a patent pending on the process of applying light to break rock, a double bulb for extra durability, along with a patented air shield designed to protect the arc-lamp bulb from breakage due to contact from flying debris as the rock is fractured. As originally designed and patented over twenty-five years ago, the arc-lamp was intended to operate in a “clean-room” environment. Dr. Arrison has recently redesigned the lamphead in order to create a more durable light source suitable for breaking rock in an industrial setting.

Dr. Arrison will continue with his original work on developing the concept of using light to break rock which he has been developing off and on now for over fifteen years. Under the direction of Dr. Arrison, this concept will be applied to mining applications and will be one of his main focuses.

Now that these negotiations are complete, management will continue on the structuring of several strategic relationships/joint ventures for the development of this unique light technology. These negotiations will include the design of a new lamphead for each industrial application and will initially include the following markets: Oil & Gas, Mining, Agriculture, Bridge Repair and Automotive.

Diversified is a product development and marketing company specializing in unique technologies and solutions that target a cross-section of industries. Our corporate strategy is to acquire, fund and aid in the commercialization of these unique technologies and products to provide long-term share appreciation.

For further information, please visit the Company’s new website at www.dvsind.com, or contact the Company and its investor relations firms as indicated below.

ON BEHALF OF THE BOARD OF DIRECTORS OF DIVERSIFIED INDUSTRIES LTD.

“STEPHEN L. DAVIS”

Stephen L. Davis
President / CEO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the foregoing.

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