



- NEWS RELEASE -

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## DIVERSIFIED CLOSES ON THE ACQUISITION OF CFR CHEMICALS

**VANCOUVER, BC, DIVERSIFIED INDUSTRIES LTD. ("DIVERSIFIED") (DVS/TSX-V) IS PLEASED TO ANNOUNCE THE CLOSING OF THE ACQUISITION OF 40% OF CFR CHEMICALS INC. ("CFR").**

The TSX Venture Exchange has approved the acquisition by Diversified of 40% of the issued and outstanding shares of CFR from Mr. Darren Lamothe. The Company will also exercise its option to acquire an additional 10% of CFR from No. 321 Cathedral Ventures Ltd. ("Cathedral"), which will result in Diversified owning **50% of CFR**. Diversified plans to exercise its option to acquire the remaining 50% within the next 3 years, **which will result in 100% ownership of CFR.**

As part of the closing, Darren Lamothe has been appointed to Diversified's Board of Directors and to the position of President and Chief Executive Officer of Diversified. Mr. Lamothe will also continue as the President and Chief Executive Officer of CFR.

"We are optimistic that this acquisition will add strength and value to both companies. The unique, proprietary nature of Diversified's patent pending chemical has the potential to open doors to major industry players both here in Canada and Internationally. Our goal is to stay focused on strong, bottom line growth while enhancing our market position through unique chemical solutions", **says Mr. Lamothe, President & CEO of Diversified and CFR.**

Mr. Lamothe brings over 20 years of business ownership and leadership to the Board. He has worked in the oil and gas industry for more than 20 years and in the chemical industry for over 14 years. In a highly competitive market, Mr. Lamothe has led CFR Chemicals from sales of \$206K in 1996 to just under \$12MM in gross revenues for 2007. Mr. Lamothe's entrepreneurial spirit has enabled him to successfully start three businesses over the past 20 years. He has proven himself to be dedicated, committed and tenacious in achieving long term success for the enterprise. His dynamic leadership and the ability to surround himself with a strong, quality management team have been key to Mr. Lamothe's entrepreneurial success.

"Mr. Lamothe continues to demonstrate his ability to lead and operate a company which is generating positive cash flow from a solid base of products and customers. In 2005, CFR had gross sales of \$4,000,000 rising to \$8,200,000 in 2006 and achieved just under \$12,000,000 for 2007. Management is projecting substantial sales increases in 2008 and 2009", **says Stephen Davis, founder of Diversified Industries Ltd.**

With the addition of Darren Lamothe, the Board of Directors of Diversified is now comprised of five directors: Darren Lamothe, Stephen L. Davis, W. Todd McMurray, M. Reginald Allen and D. Brad Paterson - four of whom are previous directors of Diversified.

The acquisition of CFR is a downstream investment for Diversified, as both companies operate in the same industry with complementary businesses and customers. Diversified specializes in the development and commercialization of innovative products used in many industries including the oil and gas industry. CFR supplies chemicals, distribution and service to the oil and gas industry. The acquisition will enable the two

entities to consolidate their sales, marketing, customer base, distribution and chemical production, therefore reducing the need for Diversified to rely on third parties for its raw materials, chemical blending, storage and distribution.

“We have brought together these two synergistic companies which will equate to better product margins and therefore higher earnings per share for both companies”, **says Davis.**

## **THE ACQUISITION**

Diversified has purchased 40% of the issued shares of CFR from Darren Lamothe in exchange for 12,000,000 Common Shares of Diversified, representing approximately 41% of the issued shares of Diversified. Diversified will also exercise its option to purchase an additional 10% of CFR for a price of \$375,000 plus accrued interest of approximately \$37,500, which will result in **Diversified owning 50% of CFR.** The acquisition of the additional 10% option will close within 30 days. Diversified also has been granted an option to acquire the remaining 50% of CFR from Cathedral, **giving Diversified 100% ownership in CFR** (exercisable on February 28, 2010). Cathedral is a private company owned and controlled by Mr. Raymond A. McLean.

In connection with the acquisition, Diversified has also granted 400,000 options to Darren Lamothe and 700,000 options to consultants of Diversified. All options are exercisable at \$0.40 for a period of five years and are subject to a four month hold period.

As a result of the acquisition, Darren Lamothe, of Red Deer, Alberta, has acquired ownership of and control over 12,000,000 common shares of Diversified which were issued at a deemed price of \$0.20 per share. These shares are subject to an escrow agreement in the form required by the TSX Venture Exchange and will be released in stages over a three year period. Mr. Lamothe's holdings represent approximately 41% of Diversified's issued and outstanding shares. Mr. Lamothe holds no other securities of Diversified, other than ownership of and control over 400,000 options to acquire common shares at \$0.40 per share. Mr. Lamothe has filed an early warning report with respect to the acquisition, which is available on SEDAR under Diversified's profile.

Please visit CFR's new website which gives a complete description of both companies and their products and services ([www.cfrchemicals.com](http://www.cfrchemicals.com)). **For complete details of this transaction please refer to Diversified's March 21, 2007 news release.**

On behalf of the Board of Directors:

*“Stephen L. Davis”*

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*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*