



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Diversified Industries is turning field trials into sales for DVS 6000

Edmonton, Alberta -- Diversified Industries Ltd. (TSX Venture: DVS) is turning field trials for DVS 6000, its innovative hydrogen sulphide (H₂S) scavenger, into sales. The company recently received its first major commitment from an oil and gas customer for the exclusive use of DVS 6000 at all of its facilities that receive sour liquid hydrocarbons. Diversified expects that sales to current clients who have adopted the use of DVS 6000 for treating sour liquids will generate over \$1 million in revenue over the next 6 to 12 months.

“Sales of DVS 6000 are expected to continue to grow rapidly,” says Pamela Maze, V.P. Sales and Marketing “over the next 6 to 12 months.” “These sales expectations are based on expanding the product's marketing program, which is currently focused on existing sales accounts and on the positive results from customer trials when treating sour liquids like sour water and sour liquid hydrocarbons.”

The January / February 2005 issue of NICKLE'S New Technology Magazine features an article focused on confirming the safety benefits and the effectiveness of using DVS 6000. This independent article highlights several positive comments and quotes from existing clients in the oil and gas industry using DVS 6000 (the article can be viewed online at: www.ntm.nickles.com).

Diversified continues to work with a variety of customers in the oil and gas industry in Canada and the United States, demonstrating the use of DVS 6000 which it markets as the safest and easiest-to-use H₂S scavenger on the market.

Diversified has proven through numerous trials over the last two years that DVS 6000 effectively neutralizes H₂S and mercaptans in a variety of applications, including storage tanks, pipelines, gas plants, refineries, tank-mounted and truck-mounted scrubbers, and other oil and gas facilities and operations involving the handling of hydrogen sulphide contaminated liquids and gases.

DVS 6000 is Diversified's lead product and is one of several proprietary technologies being developed and/or commercialized by the company, which is focusing on product applications for the oil and gas industry. Diversified is now headquartered in Edmonton, Alberta, where it recently established its product development and marketing facility.

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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.

For further information please contact:

Stephen L. Davis, President & CEO
Phone: (250) 655-9209
E-mail: info@dvsind.com
www.dvsind.com

John L. Arlitt
Arlitt Financial Corporation
Toll Free: 1 (877) 448-8181
Phone: (604) 632- 3880
E-mail: afc@axionet.com