



## NEWS RELEASE

September 7, 2006

# Diversified Develops New Scavenger

Edmonton, Alberta - Diversified Industries Ltd. (TSX-Venture: DVS) is pleased to announce that it has filed a provisional patent application for a new hydrogen sulphide (“H<sub>2</sub>S”) scavenger, which will compete directly with the widely used ammonia and triazine based H<sub>2</sub>S scavengers in both price and performance. **This new scavenger will provide Diversified with a competitive advantage in the market place, as the Company will now have two H<sub>2</sub>S scavengers to offer clients. The first scavenger, DVS 6000, which was developed for safety, performance, ease of use and exceptional odor abating properties (unique to the market place) and our new scavenger which has been developed around price and performance.**

**DVS 6000 gives Diversified a significant market advantage over all competitive scavengers where safety, performance and ease of use come first.** Recently a large oil and gas producer has made DVS 6000 mandatory for use by all contracted haulers when dealing with H<sub>2</sub>S because of these product features.

The Company’s second H<sub>2</sub>S scavenger will be targeted to the larger number of companies who still use traditional scavengers such as ammonia and triazine. Diversified’s new H<sub>2</sub>S scavenger is competitively priced when compared with ammonia and triazine and recent lab testing demonstrates that the new scavenger outperforms ammonia scavengers by 300% and a widely used triazine based scavenger by 100%. Field trials for the new scavenger are currently being planned in a variety of applications. **The new scavenger will give Diversified a competitive market advantage over scavengers where price has been a primary driver.**

**We are committed to building a family of oilfield chemicals and solutions by adding to our specialized H<sub>2</sub>S scavengers and are currently looking at several opportunities with other companies to accomplish this through joint venture, merger or acquisition. We will continue executing this strategy until we are fully satisfied that we have engaged the right companies and developed the best synergistic partnerships.**

On behalf of the Board of Directors:

*“Stephen L. Davis”*

---

Stephen L. Davis, President & C.E.O.

Phone: (250) 655-9209

E-mail: [info@dvsind.com](mailto:info@dvsind.com)

[www.dvsind.com](http://www.dvsind.com)

**For additional information please contact:**

B&D Capital Partners

Phone: (604) 685-6465

Email: [info@bdcapital.com](mailto:info@bdcapital.com)

*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*