



TSX-V Trading Symbol: [DVS](#)

January 31, 2003

PRESS RELEASE

DIVERSIFIED INDUSTRIES GIVES LETTER OF UNDERSTANDING TO HIGH ARCTIC/S.E.A.L. INTERNATIONAL OF DUBAI

Diversified Industries Ltd. ("Diversified" or "the Company") is pleased to announce that it has given a letter of understanding to High Arctic/S.E.A.L. International of Dubai in the United Arab Emirates. High Arctic/S.E.A.L. International will act as master distributor for Diversified Industries' DVS 6000 for the next six months in the Gulf Cooperation Council ("GCC") countries of the United Arab Emirates, Saudi Arabia, Kuwait, Bahrain, Qatar, and Oman with the following agreed-upon terms.

Diversified will arrange for the shipping of two (205 litre) drums of DVS 6000 to Dubai. High Arctic/S.E.A.L. International will arrange for customer trials of the product. Once DVS 6000 has been demonstrated to work satisfactorily, High Arctic/S.E.A.L. International and Diversified will enter into a more formal agreement whereupon High Arctic/S.E.A.L. International will be required to order DVS 6000 by the container load for distribution within the GCC countries.

Diversified is pleased with this development and is confident that this initial shipment will lead to an agreement with High Arctic/S.E.A.L. International and to the penetration of the oil-rich Middle East with DVS 6000 for removal of hydrogen sulphide ("H₂S"). DVS 6000 has already proven itself to be an effective and non-hazardous technology for the removal of H₂S in several applications within the Oil and Gas Industry in Canada. Demand within the Oil and Gas Industry is increasing for DVS 6000 as a safe, non-hazardous, replacement for ammonia and caustic soda in truck-mounted scrubbing units.

Diversified has already signed its first contract with Univar Canada Ltd. ("Univar"), a subsidiary of Univar N.V. (the largest chemical distributor in North America and second largest in Europe with US\$4.6 billion in net sales for 2001). Univar has been assigned the rights for the Canadian market and Diversified intends to enter into similar arrangements for distribution in the United States and Europe. As of January 6, 2003, sales of DVS 6000 through Univar began in Canada.

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Diversified is a product development and marketing company specializing in unique technologies and solutions targeting a cross section of industries. Diversified has developed its first technology, DVS 6000, for the removal of various contaminants from oil, gas, air and water. The most notable of these contaminants is H₂S, which is a problem in 75 industries in North America. Diversified has spent the past year and a half developing this product, conducting field trials, and in January 2003 began the commercialization process. The Oil and Gas Industry has significant H₂S management challenges and is expected to spend more than US\$200,000,000 on scavengers annually in North America. Diversified has targeted the Oil and Gas Industry as the first market to be launched - DVS 6000 has been proven in several applications thus far within this industry.

With these latest developments involving Univar and High Arctic/S.E.A.L. International, Diversified has now successfully entered the commercialization stage. Management looks forward to moving the company ahead throughout 2003, achieving future milestones and building value for our shareholders.

Diversified is listed on the TSX Venture Exchange under the symbol "DVS". There are currently 5,693,771 common shares issued and outstanding. For further information, please e-mail info@dvsind.com, visit the Company's website (www.dvsind.com) or phone Mr. Stephen Davis, President/CEO, at 250-655-9209 or John Arlitt, Communications Liaison, at 604-632-3880 or 1-877-448-8181.

**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 content of this Press Release.