



FOR IMMEDIATE RELEASE RED DEER, ALBERTA February 28, 2011

**DIVERSIFIED CEASE TRADE ORDER LIFTED
AMENDED FINANCIAL STATEMENTS & MD&A**

Diversified Industries Ltd. (“Diversified” or the “Company”) (DVS/TSX-V) announces that further to its news release dated January 10, 2011 and the Cease Trade Order (the “Order”) issued by the Alberta Securities Commission on January 6, 2011, the Company has since filed the required documentation, including its audited financial statements and MD&A for the period ending August 31, 2010 (which statements were refiled on February 23, 2011). The Order has been lifted by the Alberta Securities Commission effective February 25, 2011.

The Company is in the process of applying to the TSX Venture Exchange for the resumption of trading of its shares on the TSX Venture Exchange. The Company will also be following up on the Court Approval of its Proposal to Creditors under the Bankruptcy and Insolvency Act, R.S.C. 1985, and the items set out in that Proposal, as further set out in its news releases of January 25, 2010 and earlier news releases. There is no certainty that the TSX Venture Exchange will reinstate the Company’s shares for trading at this time. The Company has, at the request of the Alberta Securities Commission, refiled its financial statements to improve the note disclosure of both the application of liquidation basis accounting and the resulting effect of the share value write-down on its ownership interest in the subsidiary, CFR Chemicals Ltd.

For more information visit www.dvsind.com or www.cfrchemicals.com

On behalf of the Board of Directors:

"Larry Malazdrewicz"

Larry Malazdrewicz, President/CEO (Interim)

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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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.