



NEWS RELEASE

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FOR IMMEDIATE RELEASE:

DIVERSIFIED INDUSTRIES CONFIRMS NEW APPLICATION FOR DVS 6000 H₂S SCAVENGER

Sidney, British Columbia -- Diversified Industries Ltd. (TSX Venture: DVS) announces positive results have been received from the most recent round of laboratory tests designed to expand applications for DVS 6000, the company's proprietary hydrogen sulphide (H₂S) scavenger product. DVS 6000 is already being used to eliminate H₂S and mercaptans in gas streams; now, test results indicate that it is also very effective in removing H₂S and low molecular weight mercaptans from crude oil, which could significantly expand marketing opportunities for this innovative product. These results clearly demonstrate the potential for oil companies to earn more dollars per barrel from low-grade contaminated oil. Industry feedback on Diversified's results to date has been very positive.

"These results are very exciting and certainly validate our goal of expanding the use of our DVS 6000 H₂S scavenger in a wide range of applications in the oil and gas marketplace," said Susan Schieman, who was recently hired as the H₂S Scavenger Product Specialist for Diversified.

"Market applications for DVS 6000 are constantly expanding. At present, it is being used primarily to eliminate H₂S and mercaptans in gas streams, for example in truck-mounted scrubbers, in contaminated storage tanks and vessels, and for direct injection into gas streams. Now we will be looking at potential product applications in all aspects of crude oil production, refining, transportation and storage."

In the most recent laboratory tests, conducted by Kaizen Environmental Services Inc. in association with Norwest Labs, DVS 6000 was tested to determine its effectiveness in removing H₂S and mercaptans from three different raw crude oil samples containing headspace H₂S from 400 to 10,000 parts per million. Test results indicated that DVS 6000 effectively removed almost 100% of the H₂S and the majority of the mercaptans from both the headspace and liquid crude.

Based on the Kaizen report, testing is being initiated with several companies in order to confirm these positive results. Diversified is working with potential clients in testing their individual oil samples for the purchase of DVS 6000 to reduce or eliminate sulphur contaminants in their liquid oil products. Application and testing also includes other forms of liquid hydrocarbons such as liquefied natural gas, methyl ethyl ether and sulphur contaminated liquid fuel.

Diversified's current research into liquid hydrocarbon applications was prompted by a successful field trial of DVS 6000 conducted earlier this year by one of its existing clients, Dorf Ketal, a Houston-based distributor of chemicals for the refinery, petrochemical and lubricant industries.

Dorf Ketal found that DVS 6000 effectively eliminated odours associated with light-end mercaptans contaminating a gasoline/diesel fuel mixture in a tanker truck. "It knocked out the mercaptans really well," said David Alberts, president of Dorf Ketal Chemicals. Although Dorf Ketal has not yet tested the use of DVS 6000 on crude oil, Mr. Alberts indicated the company plans to test a variety of product applications with DVS 6000.

Diversified intends to undertake more lab trials to further expand the application of DVS 6000 directly in crude oil and other liquid hydrocarbons. More detailed information about the most recent laboratory tests is available directly from Diversified.

Since its development DVS 6000 has been tested under various conditions and has been proven to be effective in gas streams, produced water and a variety of hydrocarbon liquids. To date, field trials have proven DVS 6000 performs between two and ten times better than other H₂S scavenging products in a number of applications.

DVS 6000 contains no formaldehyde, offering safety to workers over formaldehyde-based H₂S scavengers. As well, when reacted, the spent DVS 6000 is non-toxic and free of solids; it also has a mild odour and can be easily disposed.

Non-flammable and non-corrosive, with a natural freeze point below minus 45 degrees Celsius, DVS 6000 is being marketed by Diversified as the safest and easiest-to-use H₂S scavenger on the market.

The product is distributed in Canada by Univar, a leading chemical distributor, along with Strike Oilfield Services in Alberta and Acutec Systems in Saskatchewan. High Arctic Well Control distributes DVS 6000 in the Middle East and Dorf Ketal out of Houston, Texas, USA. These companies continue to use and/or market the DVS 6000 H₂S scavenger and sales continue to grow.

DVS 6000 is one of several proprietary technologies being developed and/or commercialized by Diversified Industries, which is focusing on product applications for the oil and gas industry. The company is headquartered in Sidney, British Columbia.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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