



NEWS RELEASE

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FOR IMMEDIATE RELEASE:

Diversified Industries receives patent pending status on a new technology for oil and gas industry

Sidney, British Columbia -- Diversified Industries Ltd. (TSX Venture: DVS) announces the company has received patent pending status for its lightweight proppant technology which is being developed for use in oil and gas well stimulation operations. The company is optimistic that its proppant will be high-strength while achieving a lightweight density of 1.2.

The market for proppants is well established in the oil and gas industry; some industry sources estimate that at least 50% of natural gas wells and 30% of oil wells employ this technique to improve recovery of oil and gas from producing formations. Proppants are sized particles that, when mixed with fracturing fluid and injected into a producing formation, hold open fractures after a hydraulic fracturing treatment. At present, the most commonly used proppants are sand, resin-coated sand and ceramic materials; they range in density from 2.6 to 3.2.

"The desire for improved efficiencies in hydraulic fracturing and gravel-packing operations creates an industry demand for a lightweight proppant," said Stephen Davis, President & CEO of Diversified Industries. "We are confident that we will be successful in creating a truly lightweight proppant that will withstand high temperatures, offer high strength and be the right size that is required by industry."

A lightweight proppant 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 and has a product development and marketing facility in Edmonton, Alberta.

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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.

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For further information please contact:

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

Robert Rowell or Terry Lauder
Hedlin Lauder Investor Relations Ltd.
Phone (403) 232- 6251
Toll free 1-800-299-7823