



- NEWS RELEASE -

July 30, 2007

Diversified Closes Private Placement and Moves Closer to Completion of CFR Acquisition

Vancouver, BC - Diversified Industries Ltd. (TSX-Venture: DVS) is pleased to announce the closing of a private placement for gross proceeds of \$902,950.

Diversified and CFR Chemicals Inc. ("CFR") are progressing to satisfy all conditions precedent to close the acquisition of 40% of the issued shares of CFR and options to acquire the remaining issued shares of CFR (please see Diversified's March 21, 2007 press release for further details of the transactions).

The private placement has been conducted on a combined brokered and non-brokered basis for total proceeds of \$902,950, consisting of 3,009,834 Units at a price of \$0.30 per Unit, with each Unit entitling the purchaser to one common share and one half a non-transferable common share purchase Warrant. Each full Warrant will entitle the holder to purchase one additional common share of Diversified at a price of \$0.45 for a period of 12 months, expiring July 19, 2008. All securities issued will have a four month hold period ending on November 20, 2007.

Bolder Investment Partners Ltd. ("the Agent") has acted as agent on the brokered portion of the financing, which totalled 1,765,834 Units for gross proceeds of \$529,750.20. The Agent's compensation consists of: a cash commission of \$42,380.02 (8% on gross brokered proceeds); warrants (the "Agent's Warrants") entitling the Agent to purchase up to 220,792 common shares of Diversified (equal to 12.5% of the total number of Units sold on a brokered basis) up until July 19, 2008 at a price of \$0.30 per common share; a corporate finance fee of 25,000 Units (including 25,000 common shares and 12,500 warrants to purchase common shares at a price of \$0.45 expiring July 19, 2008); and a non-refundable work fee of \$5,000 plus GST. The Agent will be paying a portion of its commissions, including the cash and Agent's Warrants to sub-agents. Diversified has not paid any finders fees on the non-brokered portion of the financing.

Insider participation in the private placement consisted of 100,000 Units from one director, while five Pro Group investors also participated for 285,000 Units. The proceeds from the private placement are being used to further the previously announced acquisition transactions with CFR as well as for working capital purposes.

Diversified has received final Exchange acceptance on the closing of the private placement.

On behalf of the Board of Directors:

"Stephen L. Davis"

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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.

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