



FOR IMMEDIATE RELEASE RED DEER, ALBERTA FEBRUARY 4, 2010

DIVERSIFIED ANNOUNCES REVISIONS TO THE COMPANY'S ANNUAL AUDITED FINANCIAL STATEMENTS

Diversified Industries Ltd. ("Diversified") (DVS/TSX-V) announces that restated Audited Financial Statements for the year ended August 31, 2009 have been filed with Sedar.

Diversified and CFR President / CEO Darren Lamothe commented: Over the course of the past 9 months, the Company has fallen into default with certain financial ratios with its primary lender. As a direct result, the Company fell into further default with its lender, 321 Cathedral. These defaults have resulted in long terms loans to both lenders becoming payable at their respective requests. On the balance sheet, these loans have been moved from long-term debt to short-term debt. The following notes as described in Note 17 have been included in our restated annual financial statements:

- Note 4 has been expanded to disclose the results of a breach of covenant with the Bank of Montreal and the subsequent breach of the Forbearance Agreement with No. 321 Cathedral Ventures Ltd.
- Reference has been made in Note 14, to the increase in the mortgage securing amounts owing to Cathedral to \$11,000,000 and to the subsequent breach of the Forbearance Agreement with Cathedral.
- Note 6(c) has been expanded to address the fact that the convertible debenture continues to be a financial obligation by the Company to the debenture holders.
- Note 1(l)(iv) has been added to address liquidity risk.
- Loans owing to the Bank of Montreal and Cathedral have been reclassified as current liabilities on the balance sheet as a result of the breaches discussed in Notes 4, 5 and 14.
- Note 1(a) has been added to address going concern considerations.

The Company's auditor has made these revisions to the audited financial statements that were originally released on December 24, 2009. The Company is working with its lenders for a resolution to these issues.

Diversified's Revised Audited Financial Statements for the year ended August 31, 2009 can be found at www.Sedar.com

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

On behalf of the Board of Directors:

"Darren J. Lamothe"

Darren J. Lamothe, President/CEO

For investor information, please contact;

Darren Lamothe, President/CEO

Tomas Marshall, CFO

Phone: (403) 346-2149

e-mail: dlamothe@cfrchemicals.com

e-mail : tmarshall@cfrchemicals.com

**Parkland Mall, Suite 915
4747 – 67th Street
Red Deer, AB T4N 6H3**

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.