



NEWS RELEASE

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SAFETY A KEY PART OF DVS 6000 SALES

Edmonton, Alberta -- Diversified Industries Ltd. (TSX Venture: DVS) is pleased to announce that Shell Canada Ltd. and EnCana Corporation have recently placed orders for DVS 6000. As well, Diversified has just received its first order from Trinidad. These initial orders will be used in field trials to confirm the effectiveness of DVS 6000 in these particular applications. DVS 6000 has been chosen first for safety, ease of use and environmental features. More and more, companies who place employee and environmental safety first are switching to DVS 6000.

Diversified is also working on large contracts in overseas markets including India, Malaysia and Trinidad. Any one of these contracts along with the anticipated sales growth in Western Canada will put Diversified in positive cash flow by the end of August, 2006.

“We are excited about international opportunities and delighted with an initial purchase order from Trinidad”, said Jim Greenough, Diversified’s Chief Operating Officer. **“This is a strong indicator of the level of interest DVS 6000 is experiencing and we anticipate it will lead to even more significant contracts.”**

Diversified has also now trained the majority of the Brenntag Canada’s (www.brenntag.ca) sales team. This gives us more than 40 additional sales people selling DVS 6000 across Canada. To date, the response has been very positive and Brenntag’s sales are continuing to grow. EnCana is a good example of the type of companies Brenntag is bringing on as clients. Diversified is actively supporting the Brenntag sales team in the field with our technical service specialists, Colin Woodman and Rod Wilkie, both of whom have the experience and skills to help translate Brenntag’s enthusiasm into more sales.

“This is what we needed at Diversified, a national sales force representing our product. We are excited about the level of enthusiasm we are seeing from the Brenntag sales people for DVS 6000”, said Greenough. **“Brenntag’s knowledgeable and motivated national sales team is already opening many new opportunities for us which are being translated into sales.”**

More and more companies who place their employee’s safety first are switching to DVS 6000. Companies are ordering DVS 6000 because of the more user-friendly nature of the product, as well as its effectiveness in oil and gas hydrogen sulphide (“H₂S”) scavenging applications. The majority of H₂S scavengers are dangerous to work with and include ingredients like triazene, formaldehyde, ammonia and caustic soda. Of note, independent testing of several triazene based H₂S scavengers has also demonstrated toxic levels of free formaldehyde, putting the worker at risk. Ammonia and caustic soda are also very dangerous to work with. For safety reasons, more and more companies are switching to DVS 6000.

DVS 6000 is used widely in oil and gas applications to eliminate H₂S. To find out more about DVS 6000, please contact Diversified’s Edmonton office (phone: 780-461-6466 or email: sales@dvsind.com).

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.

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