



FOR IMMEDIATE RELEASE RED DEER, ALBERTA DECEMBER 3, 2010

DIVERSIFIED ANNOUNCES PROPOSAL TO CREDITORS

Diversified Industries Ltd. (“Diversified” or the “Company”) (DVS/TSX-V) announces, further to its news release November 24, 2010, that on December 2, 2010 it filed a Proposal to Creditors (the “Proposal”) under the Bankruptcy and Insolvency Act, R.S.C. 1985, as it can no longer meet its financial commitments as they come due.

The Company has appointed G. Powroznik Group Inc., of G-Force Group of Vancouver, B.C., as its trustee. A copy of the Proposal is posted on the trustee’s website, at <http://www.g-forcegroup.ca/current-projects/diversified-industries>. Approval of the Proposal requires a simple majority of the Company’s creditors, representing two thirds of proven claims filed, and then approval by the Court.

If approved by the creditors and the Court, implementation of the Proposal will eliminate the Company’s debt, cause a sale of all of the Company’s shares in CFR Chemicals Inc., all the Company’s patents rights and certain contingent claims receivable, and preserve the tax pools as the only remaining material asset of the Company. If the Proposal is not approved either by the creditors or the Court, then the Company will immediately become bankrupt. The Company anticipates that the Proposal will be accepted.

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

On behalf of the Board of Directors:

"Larry Malazdrewicz"

Larry Malazdrewicz, President/CEO (Interim)

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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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