

**AMERICAN DIVERSIFIED HOLDINGS CORPORATION (ADHC – OTC PINK SHEETS)
DEBT ELIMINATION**

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Del Mar, CA – August 27th, 2012. The Board of Directors of AMERICAN DIVERSIFIED HOLDINGS CORPORATION (ADHC) <http://www.americandiversifiedholdings.com/> has today approved the following:

- Conversion of the Company's outstanding debt totaling over \$500,000 USD into newly authorized Preferred "B" shares with its main secured creditor.
- Management eliminated all debt on the books to set the stage for an equity based expansion program.
- These preferred shares are restricted, and cannot trade in its current form.
- Conversion to common shares is possible in the future.
- Equity participation of the ADHC creditor to create a much healthier and a debt free company moving forward.
- A new updated Adequate Disclosure will be filed at the end of the quarter reporting period as per OTC Markets disclosure requirements.

More details and updates will follow on a timely basis.

Safe Harbor Statement

This press release contains forward looking statements pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements include risks and uncertainties that may cause the company's plans to change and are in no way intended to guarantee that the company will be successful in executing its plans. American Diversified Holdings common stock currently trades on the over-the-counter "Pink Sheets" under the symbol ADHC. This press release in no way constitutes any recommendation regarding the securities of ADHC or its affiliates. Any person reading this press release is advised that this release should be considered in the light of all facts and circumstances regarding the business and financial condition and prospects of ADHC, and no inference has been made that this release contains all such information.

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