

OTCBB: DVNTF

FOR IMMEDIATE RELEASE:

DIVERSINET CORP. ANNOUNCES FIRST QUARTER 2005 FINANCIAL RESULTS

Company's Focus on Core Competencies, Streamlining of Operations and Asset Sale of DSS Key Drivers in Delivering Operational Efficiencies

TORONTO, Canada, May 13, 2005 – Diversinet Corp. (OTCBB: DVNTF), a leading provider of mobile device security and authentication solutions for the mobile data ecosystem, today announced its first quarter 2005 results. Revenues for the quarter were \$354,000, compared to \$853,000 in the first quarter of 2004. For the foreseeable future, revenues will continue to be dominated by professional services provided in the North American market. The net loss for the quarter was \$1,299,000, or \$0.07 per share, down from the 2004 first quarter loss of \$1,343,000 or \$0.11 per share.

Cash used in operations for the first quarter was \$580,000, a decrease from the \$861,000 used in the fourth quarter of 2004 and from the \$1,294,000 used in the first quarter of 2004. EBITDA* before stock-based compensation expense for the quarter was \$(763,000), compared to \$(464,000) in the fourth quarter of 2004 and \$(859,000) in the first quarter of 2004. Cash and short term investments at quarter end was \$2,152,000 compared to \$2,734,000 at December 2004.

In the first quarter of 2005, Diversinet entered into an asset sale agreement for its DSS subsidiary whereby it sold the majority of its current assets, capital assets, current liabilities, consultant and customer accounts to CIT Global for \$250,000 plus certain earn out provisions over the next 5 years. Of the \$250,000, \$100,000 was paid at closing with cash payments of \$50,000 due May 1, July 1 and September 1, 2005. The sale enables Diversinet to focus its efforts on mobile device security and authentication solution core competencies.

“2005 is all about focus and execution. With our new senior management team fully engaged and the asset sale of DSS complete, Diversinet is now completely focused on delivering our MobiSecure suite of two-factor authentication solutions to the marketplace,” said Nagy Moustafa, CEO of Diversinet. “MobiSecure is a very cost effective way to address the challenges of identity theft by utilising something you already have – your mobile phone – as a device to generate one-time-passwords. With over one and a half billion mobile phones deployed globally, we believe MobiSecure is the best way to deliver global mass-market two-factor authentication services. We continue to get favourable feedback from the marketplace and expect to launch multiple pilot programs in the second half of 2005.”

Diversinet's first quarter 2005 highlights include:

- The Company names Kashif Hassan as President, Michael O'Farrell as Chief Marketing Officer and David Annan as Chief Technology Officer. The new executive management team brings strong operational focus and mobile industry expertise to the company.
- The Company announces its plan to focus on mass-market, mobile authentication services, leveraging over 8 years of mobile device security expertise and intellectual capital core competencies.
- The Company continues to play an active role in the initiative for Open AuTHentication (OATH) industry alliance for mobile-optimized strong authentication solution delivery. Stu Vaeth, Chief Security Officer at

Diversinet, is appointed the Co-Chair of the OATH Technology Focus Group (TFG)

- The Company successfully develops OATH-Compliant One-Time-Password (OTP) mobile tokens for Microsoft, RIM, Symbian, Palm and Java-based mobile device operating environments, fully integrated with VeriSign Unified Authentication service for end-user validation.
- The Company successfully divests of non-core DSS Software Technologies subsidiary through asset sale to CIT Global. The sale enables Diversinet to strengthen its focus on mass-market, mobile authentication services.

“I am very impressed with the Company’s progress during the last quarter – it is focused, operationally strong and energized to deliver,” adds Kashif Hassan, President of Diversinet. “MobiSecure is set to change the way consumers and companies combat the ever-present threats of identity theft, transaction fraud and smorphing. Going forward, Diversinet will concentrate its efforts on sales and channel partner development to capitalize on the high level of customer and industry interest to our approach to mass-market mobile authentication services.”

As a leading mobile authentication service provider, Diversinet provides its customers with cost effective, mobile-optimized strong authentication products and services that reduce identity theft and improve brand trust. Diversinet’s solutions leverage more than 1.5 billion consumer and enterprise mobile devices as strong authentication tokens. Diversinet MobiSecure suite of mobile tokens and MobiSecure Authentication Service Center offerings are available on all intelligent mobile device platforms, including Microsoft, RIM, Symbian, Palm and Java-based phones.

###

About Diversinet (OTCBB: DVNTF)

Diversinet is a leading provider of mobile device security and authentication solutions for the mobile data ecosystem. Diversinet products and services allow users to protect their identity, data and device for personal communications and commercial transactions. The Diversinet MobiSecure suite of mobile tokens and MobiSecure Authentication Service Center enable application providers, mobile network operators and security service providers to rapidly develop, deploy and manage secure mobile data services for the over 1.5 billion mobile device users worldwide. MobiSecure is the industry’s first open mobile security platform to support OATH-Compliant strong authentication on mobile devices and networks. For more information about the initiative for Open AuTHentication (OATH) visit www.openauthentication.org. Connect with Diversinet Corp. at www.diversinet.com.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by the company) contains statements that are forward-looking, such as statements relating to anticipated future revenues of the company and success of current product offerings. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the company. For a description of additional risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission.

*EBITDA is defined as operating revenues less cash operating expenses and therefore reflects earnings before interest, taxes, depreciation and amortization. Diversinet uses EBITDA, among other measures, to assess the operating performance of its ongoing business, and applies the use of such measure consistently from quarter to quarter. The term EBITDA does not have a standardized meaning prescribed by Canadian generally accepted

accounting principles (GAAP) and therefore may not be comparable to similarly titled measures presented by other companies. EBITDA should not be construed as the equivalent of net cash flows from operating activities.

The following table reconciles net loss to operating revenues less cash operating expenses and therefore reflects earnings before interest, taxes, depreciation and amortization and stock-based compensation expense:

	Three months ended	
	March 31	
	2005	2004
Loss from continuing operations	\$ (1,157,651)	\$ (1,227,903)
Add back:		
Stock based compensation	236,152	185,284
Depreciation and amortization	174,287	199,852
Foreign exchange gain	(7,086)	(9,798)
Interest income	(8,949)	(6,329)
EBITDA before stock-based compensation expense	\$ (763,247)	\$ (858,894)

Contact:

For additional information:

David Hackett, CFO

Diversinet Corp.

416-756-2324

www.diversinet.com

Diversinet Corp.
CONSOLIDATED BALANCE SHEETS
[in United States dollars]

(Unaudited)

	March 31	December 31
	2005	2004
		(restated note 3)
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	652,004	723,498
Short-term investments	1,500,205	2,000,000
Accounts receivable	185,384	290,239
Other receivables	155,701	35,700
Prepaid expenses	169,834	187,653
Current assets of discontinued operations (note 3)	-	512,992
Total current assets	2,663,128	3,750,082
Capital assets, net	549,043	593,673
Purchased technology, net of accumulated amortization	78,541	125,667
Customer assets, net of accumulated amortization	468,588	551,280
Goodwill	1,894,690	2,286,932
Total assets	5,653,990	7,307,634
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	240,053	147,084
Accrued liabilities	345,049	478,781
Notes payable	-	4,611
Deferred revenue	161,500	165,343
Current liabilities of discontinued operations (note 3)	119,560	676,414
Total current liabilities	866,162	1,472,233
Total liabilities	866,162	1,472,233
Shareholders' equity		
Share capital	52,460,635	52,445,135
Cumulative translation adjustment	(1,520,721)	(1,520,721)
Share purchase warrants	2,843,765	2,830,929
Contributed surplus	1,488,865	1,265,549
Deficit	(50,484,716)	(49,185,491)
Total shareholders' equity	4,787,828	5,835,401
Total liabilities and shareholders' equity	5,653,990	7,307,634

See accompanying notes to interim consolidated financial statements.

Diversinet Corp.**CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**

[in United States dollars]

(Unaudited)

	Three months ended	
	March 31	
	2005	2004
		(restated note 3)
	\$	\$
REVENUE	354,411	853,200
Cost of sales	245,468	436,321
Gross margin	108,943	416,879
EXPENSES		
Research and development	277,547	331,089
Sales and marketing	316,735	388,004
General and administrative	514,060	741,964
Depreciation and amortization	174,287	199,852
	1,282,629	1,660,909
Loss before the following	(1,173,686)	(1,244,030)
Foreign exchange gain	(7,086)	(9,798)
Interest income	(8,949)	(6,329)
Loss from continuing operations	(1,157,651)	(1,227,903)
Loss from discontinued operations (note 3)	(141,574)	(115,006)
Loss for the period	(1,299,225)	(1,342,909)
Deficit, beginning of period	(49,185,491)	(41,461,762)
Adjustment for change in accounting for stock based compensation	-	(186,887)
Loss for the period	(1,299,225)	(1,342,909)
Deficit, end of period	(50,484,716)	(43,011,558)
Loss per share		
Basic and diluted loss per share from continuing operations	(0.06)	(0.10)
Basic and diluted loss per share	(0.07)	(0.11)
Weighted average common shares outstanding	19,179,052	11,881,901

See accompanying notes to interim consolidated financial statements.

Diversinet Corp.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

[in United States dollars]

(Unaudited)

	Three months ended March	
	2005	2004
		(restated note 3)
	\$	\$
OPERATING ACTIVITIES		
Loss from continuing operations for the period	(1,157,651)	(1,227,903)
Add (deduct) items not requiring an outlay of cash:		
Depreciation and amortization	174,287	199,852
Stock based compensation expense	236,152	185,284
Changes in non-cash working capital items related to operations:		
Accounts receivable and other receivables	(15,145)	(23,810)
Prepaid expenses	17,819	217,338
Accounts payable and accrued liabilities	(40,763)	(508,931)
Deferred revenue	(3,843)	(142,340)
Cash used in continuing operations	(789,144)	(1,300,510)
Cash provided by discontinued operations	209,215	6,047
Cash used in operations	(579,929)	(1,294,463)
FINANCING ACTIVITIES		
Issue of common shares, common purchase options, warrants for cash	15,500	1,884,714
Repayment of notes payable	(4,611)	(1,897)
Cash provided by financing activities	10,889	1,882,817
INVESTING ACTIVITIES		
Decrease (increase) in short-term investments	499,795	(4,524)
Net addition of capital assets	(2,249)	(4,462)
Cash provided by (used in) investing activities	497,546	(8,986)
Net change in cash and cash equivalents during the period	(71,494)	579,368
Cash and cash equivalents, beginning of the period	723,498	547,534
Cash and cash equivalents, end of the period	652,004	1,126,902

See accompanying notes to interim consolidated financial statements.