



DIAZ RESOURCES LTD.

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DIAZ ANNOUNCES FIRST QUARTER 2010 RESULTS

Diaz Resources Ltd. (TSX: DZR) announces that it has filed its Interim Report for the three months ended March 31, 2010.

The strategic plan which Diaz intends to implement during 2010 focuses on:

- Development drilling of its Lloydminster heavy oil pool,
- Building an inventory of acreage, prospective for heavy oil accumulations, and
- Continuing to reduce the Company's balance sheet leverage.

In furthering this plan, three horizontal oil wells were drilled at Lloydminster, during the quarter, and are expected to be placed on production in the second quarter.

During the quarter, Diaz acquired oil and gas leases on four additional prospects, in Saskatchewan, resulting in the Company's heavy oil prospect inventory increasing to seven projects.

Diaz also completed an equity financing, raising \$1.3 million. This financing, coupled with cashflow, enabled the Company to closely maintain its level of bank debt, which now stands close to the lowest level in eight quarters.

Exploration and Development

With the decline of natural gas prices in Canada, to unacceptable levels, Diaz has changed its exploration focus exclusively to oil prospects.

Lloydminster, Alberta – Working Interest 50%

Diaz has a 50% working interest in 7 heavy oil wells (3.5 net wells). The Lloydminster field is the primary development focus of the Company. Four are currently on production at rates varying from 15 to 60 bopd. Three new wells were drilled during Q1 2010 and are expected to be on production early in Q2 2010.

Diaz believes the Lloydminster heavy oil play may support up to 35 wells on its section, with initial production rates of approximately 60 Bopd per well. On the next page is a gross pay map of the Lloydminster pool, showing Diaz's four producing wells and the three horizontal wells drilled during Q1 2010. Diaz believes the project has very attractive economics with oil prices in the range of \$80 per barrel, the Alberta drilling royalty credit and a 5% royalty for the first year of production.

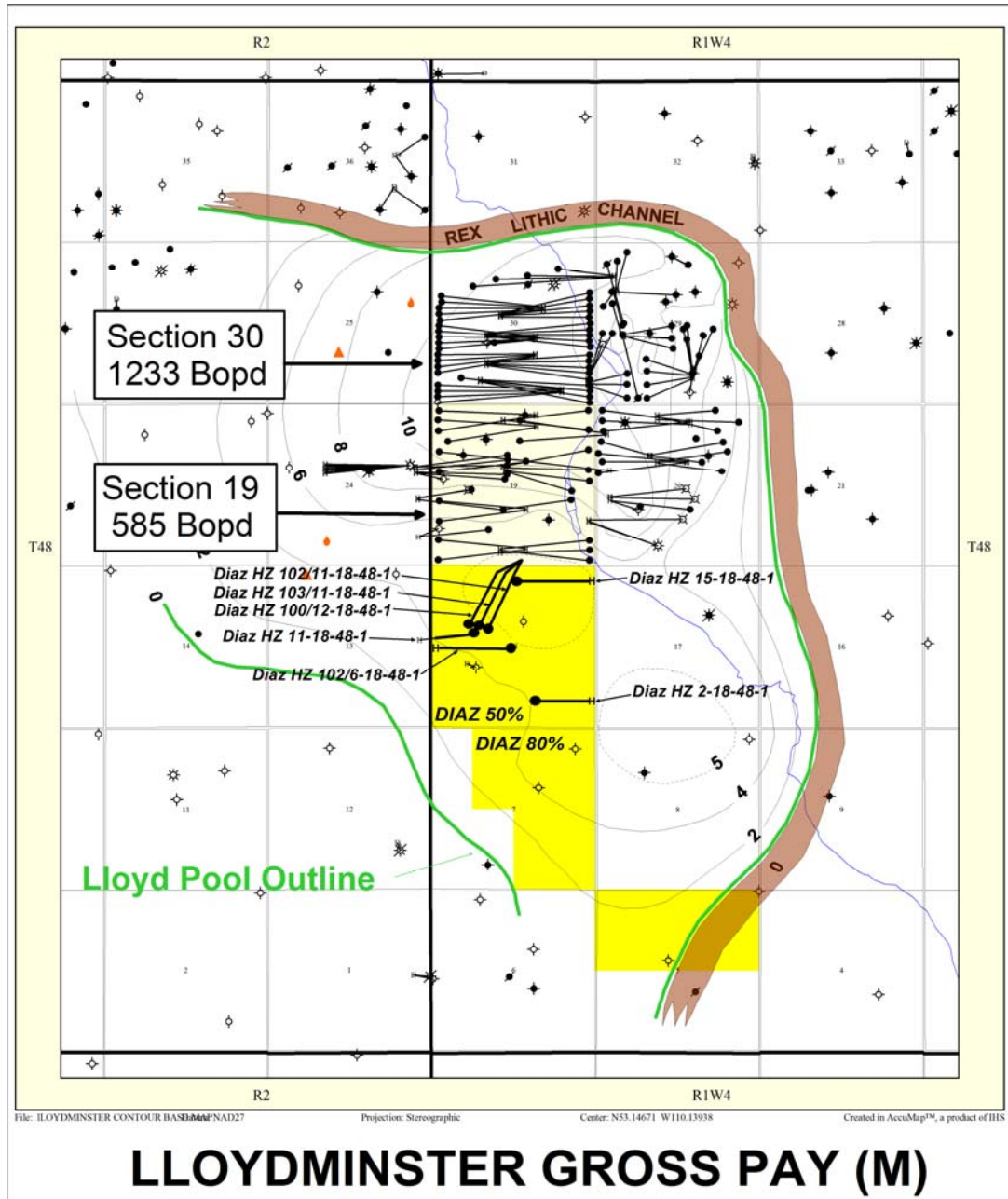
Diaz currently plans to continue development drilling at the Lloydminster field starting in the summer of 2010.

Lloydminster field development economic assumptions include:

- Average gross well cost \$750,000 drilled plus \$200,000 for completion and production facilities.
- New well initial production - 60 bopd with a 20% annual decline.
- Revenue based on \$65 per barrel.
- Operating costs - \$15 per barrel.
- Alberta royalty rate of 5% for the first year of production
- Alberta drilling credits - \$200 per meter drilled prior to March 31, 2011.

The following Lloydminster gross pay map includes average production for January 2010 for Sections 30 and 19. You can view the map on line at:

<http://www.diazresources.com/documents/DZR-2010-05-Lloyd-Gross-Pay.pdf>

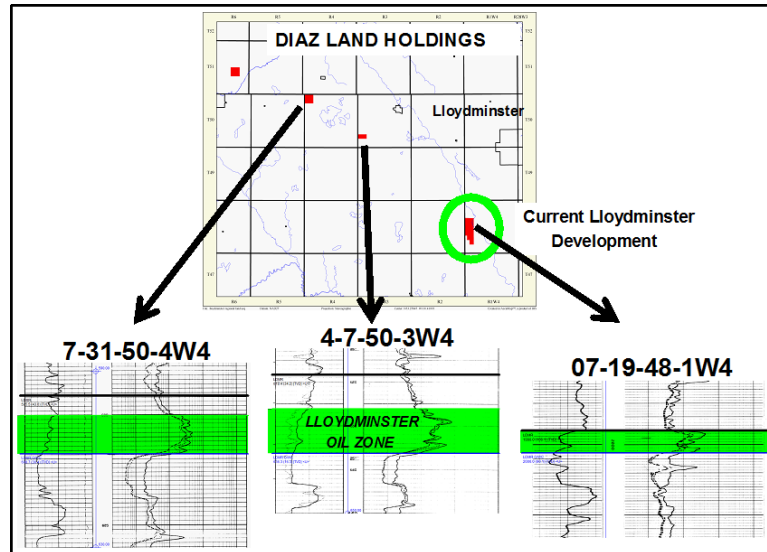


Lloydminster, Alberta – Lands

In addition to Section 18-48-1W4 Diaz has acquired an 80% WI in 2,000 acres of prospective lands in the Lloydminster area.

The following map shows the acquired lands with bypassed zones in comparison to Section 19-48-1W4. You can view the map on line at:

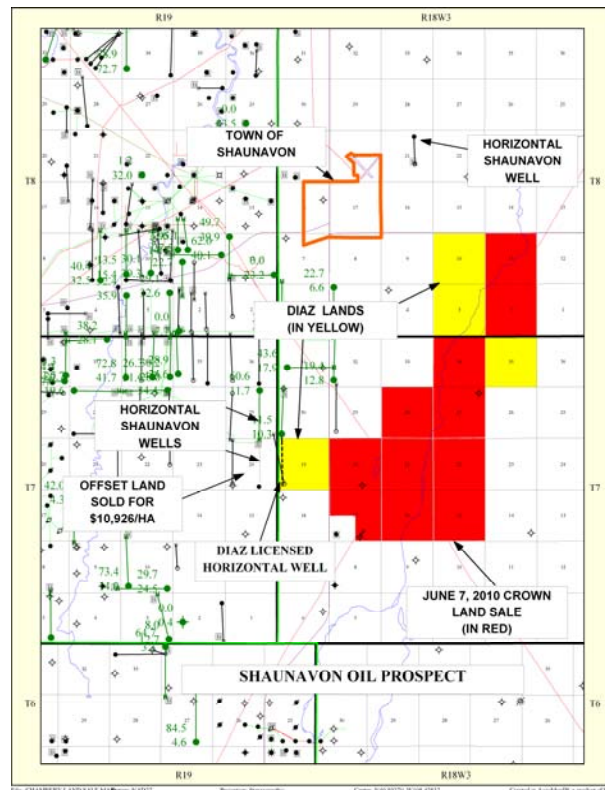
<http://www.diazresources.com/documents/DZR-2010-05-Lloyd-Lands.pdf>



Saskatchewan Oil Plays

Diaz has acquired an interest in 14,208 acres in Saskatchewan on the Birdbear, Shaunavon, Viking and other heavy oil developments. Below is a map showing Diaz's land position in its South Shaunavon oil play. You can view the map on line at:

<http://www.diazresources.com/documents/DZR-2010-05-Sask-Oil-Plays.pdf>



Financial

At March 31, 2010, Diaz had net current debt of \$5.9 million versus \$8.7 million one year earlier, a reduction of \$2.8 million. Diaz also had convertible debentures outstanding of \$7.1 million (face value) that mature on March 26, 2012.

Production

The Company's total production for Q1 2009 decreased 33% to 532 BOEd compared with the prior year Q1 2009 average of 791 BOEd. However, production for the quarter equalled the previous quarter, Q4 2009, average rate. With the addition of new production from the Lloydminster heavy oil field in Q1 2010 and new wells coming on stream in Q2 2010 we anticipate oil production rates should increase going forward.

Business Outlook

We expect oil prices to hold above \$75 per barrel (WTI) during 2010 as industrial activity in North America recovers. Due to current high natural gas storage levels and significant volumes of gas being developed on North American shale gas projects there is still considerable uncertainty as to when natural gas prices will improve to satisfactory levels. To mitigate the uncertainty in natural gas prices, Diaz has put in place fixed gas price contracts for approximately half of the Company's anticipated 2010 gas production, at prices in excess of \$5.75 per Mcf.

The Company will continue to focus on its Lloydminster heavy oil development program and if results are successful Diaz should exit 2010 with almost half of its production derived from oil sales.

Corporate Summary

<i>(Thousands, except shares and per share amounts)</i>	Three Months Ended March 31	
	2010	2009
Financial		
Revenue (net of royalty expense)	\$ 1,690	\$ 2,248
Cash flow from operations *	384	614
per share, diluted	-	0.01
Loss for the period	(1,486)	(9,754)
per share, diluted	(0.02)	(0.15)
Net capital additions	1,692	836
Net current debt	5,908	8,657
Convertible debentures**	6,451	6,163
Total assets	36,876	43,264
Total shares outstanding at period end	86,001,252	67,177,752
Operations		
Production		
Gas (MMcfd)	2.6	4.1
Oil (Bopd)	98	111
BOEd (6 Mcf = 1 Bbl)	532	791
Product Prices		
Gas (\$/Mcf)	\$5.23	\$6.01
Oil (\$/Bbl)	\$67.68	\$35.13

* Non-GAAP measure. Please see the reconciliation of "cash flow from operations" to "cash flow from operating activities" after the shareholders message.

** Convertible debentures have a face value of \$7.1 million and mature on March 26, 2012. See Note 7, "Convertible Debentures", in the notes to the financial statements for the three months ended March 31, 2010.

Diaz is an oil and gas exploration and production company based in Calgary, Alberta. Diaz's current focus is on oil development and exploration in Alberta and Saskatchewan.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ADVISORY: This press release contains forward looking statements. Although Diaz believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Diaz can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

The forward looking statements contained in this press release are made as of the date hereof and Diaz undertakes no obligations to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Where amounts are expressed on a barrel of oil equivalent (boe) basis, natural gas volumes have been converted to barrels of oil at six thousand cubic feet (mcf) per barrel (bbl). Boe figures may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. References to oil in this discussion include crude oil and natural gas liquids (NGLs).

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