



DIAZ RESOURCES LTD.

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The following is for release in Canada at 8:00 a.m., Tuesday, March 26, 2002.

DIAZ RESOURCES LTD. REPORTS **INCREASE IN 2001 PRODUCTION, REVENUE** **AND NET RESERVES**

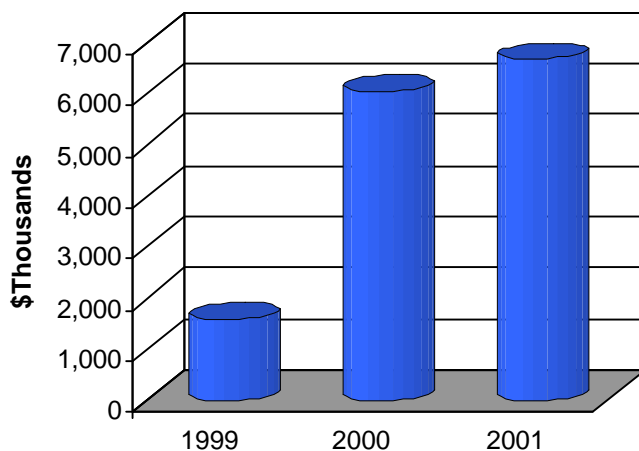
Diaz Resources Ltd. today reported improved financial and operating results for the year ended December 31, 2001.

Revenue for the year increased to \$10.8 million, from \$9.3 million reported in 2000. Higher gas prices, together with higher natural gas and oil production, contributed to the 12% increase in total revenue.

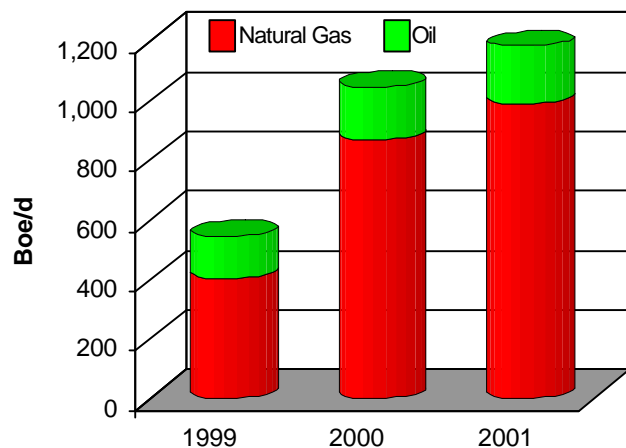
Cash flow for the year totalled \$6.7 million, or \$0.17 per share compared with \$6.0 million, or \$0.16 per share in 2000. The Company reported earnings of \$2.6 million, or \$0.07 per share, compared with \$2.7 million, or \$0.07 per share in 2000.

Natural gas production for 2001 increased to average 5.9 mmcf per day compared with 5.2 mmcf per day in 2000. Oil production averaged 197 bbls per day for the period compared with 178 bbls per day for the same period in 2000. Total production reached 1,183 boe per day compared with 1,045 boe per day in 2000.

Cash Flow Growth



Production Growth



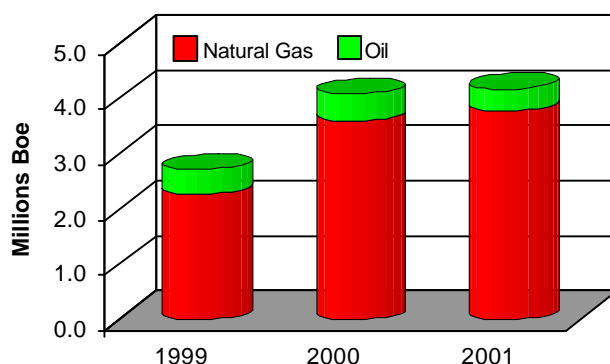
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Diaz also announced that an independent evaluation of the Company’s oil and gas reserves, conducted by Ashton Jenkins Mann, effective January 1, 2002, has assigned established reserves of 391,000 barrels of oil and natural gas liquids and 22.6 bcf of natural gas to the Company’s properties. The reserves were assigned a net present value of \$35.0 million, at a 10% discount rate. Approximately 18% of the reserves and 16% of the net present value were attributed to probable reserves.

During the past two years, Diaz increased its gas reserves by 64% and oil and natural gas liquids reserves declined by 9%. Over the last three years, the all-in finding and on-stream costs averaged \$6.80 per boe with an investment efficiency of 2.7 times.

The Company has used the current industry standard of 6 mcf of natural gas to one barrel of oil for the boe conversion.

**Reserves Growth
(Proved and 50% Probable)**



Oil and Natural Gas Reserves at January 1, 2002

	Reserves before Royalties		Estimated Net Present Value Before Tax (\$millions)	
	Natural Gas (bcf)	Oil & NGL's (mbbls)	Undiscounted	10%
Proved Developed	10.7	292	\$ 32.5	\$ 20.6
Proved Undeveloped	7.9	31	20.0	8.8
Total Proved	18.6	323	52.5	29.4
Probable (Risky)	4.0	68	14.3	5.6
Total Established Reserves	22.6	391	\$ 66.8	\$ 35.0

The reserve report assumes a West Texas Intermediate price of \$20.00 US per barrel resulting in a corporate average price of \$25.54 per barrel for 2002 and an Alberta Spot natural gas price of \$3.70 per mcf resulting in a corporate average price of \$3.35 per mcf for 2002.

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SUMMARY OF OPERATIONS
For the Years Ended December 31

(Thousands, except per share information)	2001	2000
Financial		
Revenue	\$ 10,794	\$ 9,265
Cash flow	\$ 6,651	\$ 6,028
Cash flow per share	\$ 0.17	\$ 0.16
Earnings	\$ 2,647	\$ 2,660
Earnings per share	\$ 0.07	\$ 0.07
Shares outstanding	41,881	37,777
Production		
Natural gas (mmcf/d)	5.9	5.2
Oil and liquids (bbls/d)	197	178
Oil equivalent (boe/d - based on 6mcf to 1bbl)	1,183	1,045

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Forward looking statements - statements included in this press release that are not historical facts may be considered "forward looking statements." All estimates and statements that describe the Company's objectives, goals or future plans are forward looking statements. Forward looking statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.

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