



DIAZ RESOURCES LTD.

#1800, 633 Sixth Avenue S.W.
Calgary, Alberta
T2P 2Y5 Canada
Tel: (403) 269-9889
Fax: (403) 269-9890

The following is for release in Canada at 8:00 a.m., Friday, May 24, 2002.

DIAZ RESOURCES LTD. REPORTS FINANCIAL RESULTS FOR FIRST QUARTER, 2002

Financial results for the three months ended March 31, 2002, were lower than those of the prior year, primarily resulting from greatly reduced natural gas prices as well as lower oil and gas production volumes.

Revenues totalled \$1.9 million, compared with \$5.2 million one year earlier. Cash flow for the first quarter of 2002 decreased to \$0.6 million, or \$0.02 per share compared with \$3.0 million, or \$0.08 per share for the same period in 2001. Diaz reported a loss of \$78,000 for the quarter compared with earning of \$1.5 million in 2001.

Natural gas production for the first quarter averaged 5.0 mmcf/d compared with 6.2 mmcf/d a year earlier. Oil production totalled 149 bbls/d for the quarter compared with 198 bbls/d for the same period in 2001.

Diaz anticipates that current higher natural gas prices will result in improved financial results for successive quarters throughout 2002.

SUMMARY OF OPERATIONS For the Three Months ended March 31

<i>(Thousands, except per share amounts)</i>	2002		2001	
Financial				
Revenue	\$	1,526	\$	3,950
Cash flow	\$	633	\$	3,035
Cash flow per share (diluted)	\$	0.02	\$	0.08
Earnings (loss)	\$	(78)	\$	1503
Earnings (loss) per share	\$	(0.00)	\$	0.04
Capital additions	\$	1,343	\$	4,195
Net debt	\$	(10,471)	\$	(8,314)
Assets	\$	30,475	\$	26,465
Production				
Natural gas (mmcf/d)		5.0		6.2
Oil and liquids (bbls/d)		149		198
Boe/d (6mcf = 1bbl)		988		1,226
Product Prices				
Natural gas (\$/mcf)	\$	3.34	\$	8.19
Oil & Gas liquids (\$/barrel)	\$	29.10	\$	37.40
Shares outstanding, at period end		41,860		37,760

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 statement involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.

FOR FURTHER INFORMATION CONTACT:

Robert W. Lamond, Chairman
Charles A. Teare, Executive Vice President
DIAZ RESOURCES LTD.
Telephone: (403) 269-9889
Fax: (403) 269-9890
website: www.diazresources.com
email: info@diazresources.com
TSX: DZR.a / DZR.b