



DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Monday, February 3, 2003.

DIAZ REPORTS MUSTANG CREEK WELL COMMENCES DRILLING

Diaz Resources Ltd. today reported that the initial well on the Mustang Creek prospect in Colorado County, Texas, commenced drilling on February 1, 2003.

The Mustang Creek Lehrer No. 1 well is planned to reach a depth of 15,000 feet and will test three of five prospective sands on the Mustang Creek prospect. The well is anticipated to reach total depth by the end of March 2003.

Diaz will pay 5.4% of the cost to casing point and will earn 8.1% working interest in the well, after casing point.

This is the first of three deep Wilcox prospects in which Diaz has a working interest and plans to test, during 2003.

Diaz Resources Ltd. is a Calgary based oil and gas exploration Company with production in Alberta, Saskatchewan and Texas. Diaz is currently focused on exploring for natural gas in Alberta.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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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