



# DIAZ RESOURCES LTD.

#1800, 633 Sixth Avenue S.W.  
Calgary, Alberta  
T2P 2Y5 Canada

The following is for immediate release in Canada, Thursday, August 21, 2003.

## **DIAZ REPORTS IMPROVED FINANCIAL RESULTS FOR FIRST HALF, 2003**

---

Diaz Resources Ltd. today reported that its financial results, for the six months ended June 30, 2003, were significantly improved from one year ago, primarily as a result of higher commodity prices. The Company received an average of \$6.40 per mcf during the first half of 2003, compared with \$3.61 per mcf for the same period in 2002.

Revenue for the six months ended June 30, 2003 totaled \$4.6 million, compared with \$3.3 million one year earlier. Cash flow for the period increased to \$2.7 million, or \$0.06 per share, compared with \$1.6 million, or \$0.04 per share in 2002. Diaz reported earnings for the six months ended June 30, 2003 of \$1.2 million, or \$0.03 per share, compared with a loss of \$79,000 reported in 2002.

Natural gas production for the first half of 2003 decreased to an average of 4.3 mmcf/d, compared with 5.0 mmcf/d a year earlier. The declining gas production was reversed at the end of the second quarter with the addition of 2.0 mmcf/d, net to Diaz, from two Texas wells and a gas well at Provost. Oil production averaged 98 bbls/d for the period, compared with 144 bbls/d for the same period in 2002. Total production averaged 809 boe/d, compared with 975 boe/d in 2002.

Diaz also reported that with the Company's recent successes in its U.S. exploration program, Diaz plans to increase its exploration activity on the deep Wilcox gas play, in Texas, during the last half of 2003.

Diaz is a Calgary based oil and gas exploration Company with production in Alberta, Saskatchewan and Texas.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

*Robert W. Lamond, Chairman – or – Charles A. (Tony) Teare, Executive Vice President*

**DIAZ RESOURCES LTD.**

Telephone: (403) 269-9889

Fax: (403) 269-9890

Website: [www.diazresources.com](http://www.diazresources.com)

Email: [info@diazresources.com](mailto:info@diazresources.com)

TSX: DZR.a / DZR.b

*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.*

**THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR  
THE ADEQUACY OR ACCURACY OF THIS RELEASE.**



# DIAZ RESOURCES LTD.

#1800, 633 Sixth Avenue S.W.  
Calgary, Alberta  
T2P 2Y5 Canada

Page Two

## SUMMARY OF OPERATIONS

<i>(Thousands, except per share amounts)</i>	<b>Six Months Ended June 30</b>	
	<b>2003</b>	<b>2002</b>
<b>Financial</b>		
Total revenue	\$ 4,554	\$ 3,344
Cash flow	\$ 2,724	\$ 1,568
Cash flow per share (diluted)	\$ 0.06	\$ 0.04
Earnings(loss) for the period	\$ 1,211	\$ (79)
Earnings (loss) per share (diluted)	\$ 0.03	\$ (0.00)
Capital additions	\$ 2,517	\$ 3,023
Dispositions	\$ 268	\$ 502
Net debt	\$ 10,042	\$ 10,769
Total assets	\$ 33,449	\$ 31,202
<b>Operations</b>		
<b>Production</b>		
Gas (mmcf/d)	4.3	5.0
Oil (bbls/d)	98	144
Boe/d (6mcf = 1bbl)	809	975
<b>Product Prices</b>		
Gas (\$/mcf)	\$ 6.40	\$ 3.61
Oil (\$/bbl)	\$ 41.14	\$ 32.46
<b>Total shares outstanding, at period end</b>	<b>45,914</b>	<b>41,854</b>

*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.*

**THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**