



DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Wednesday, December 3, 2003

DIAZ SPUDS HIGH INTEREST TEXAS WELL

Diaz Resources Ltd. today confirmed that drilling has commenced on the Hound Dog prospect in Lavaca County, Texas, targeting deep Wilcox sands. The well, in which Diaz will pay 15% of the costs, to casing point, to earn a 22.5% working interest, is planned to be drilled to 15,500 feet and should reach total depth in approximately five weeks.

In addition, the Company updated its other Wilcox activities. The Provident City #2 well, Diaz 13% working interest, is currently producing at a rate of 12 million cubic feet per day with a flowing tubing pressure of 6450 psi.

The first well on the Mustang Creek prospect, Lehrer #1, Diaz 8% working interest, is flowing at 1.65 million cubic feet per day, with a flowing pressure of 1600 psi.

Completion operations are continuing on the Lehrer #2 well, Diaz 9% working interest. The Upper Magnolia sand will be perforated on Friday, December 5, 2003, and flow tested prior to fracture stimulation planned later this month. Approximately 20 feet of the Lower Magnolia sand was completed last week, and produced natural gas on a short production test. This zone will be temporarily suspended and later commingled, allowing for the pending completion of the potentially more productive upper Wilcox sands in the well.

Diaz is an oil and gas exploration and production company based in Calgary, Alberta. Diaz's current focus is on shallow gas developments in southern Alberta and deep Wilcox gas exploration in Texas.

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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