



DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Monday, January 19, 2004.

DIAZ COMPLETES DRILLING OF DEEP WILCOX GAS WELL IN TEXAS

Diaz Resources Ltd. announces that the initial exploration well on the Hound Dog prospect has been drilled and logged to a depth of 15,662 feet. The well is currently being cased and completion and tie-in operations are anticipated to commence within the next four weeks.

The Company reports multiple gas shows and the evaluation of the logs confirms the Company's geophysical interpretation of the prospect and indicates 10 Wilcox intervals with over 200 feet of prospective gas pay. Diaz holds a 22.5% interest in the well.

In 2003, Diaz participated in three Wilcox completions on trend with the Hound Dog well. The Provident City #1 well (Diaz 13% working interest) is currently producing at 11.5 Mmcf/d. The Lehrer #1 well (Diaz 8% working interest) is currently producing at 1.3 Mmcf/d and the Lehrer #2 well (Diaz 9% working interest) is producing at 1.1 Mmcf/d.

Diaz also updates its Canadian exploration activities. Since the end of the third quarter of 2003, the Company participated in drilling 13 wells (6.7 net to Diaz), resulting in 9 gas wells (5.27 net to Diaz) and 2 oil wells (0.7 net to Diaz). The tie-in of these wells in the first quarter of 2004, combined with the tie-in of two wells at Jaslan, which was delayed at year end, are anticipated to add 2.5 Mmcf/d by the end of the first quarter, 2004. This will result in a first quarter exit production rate of 1,500 boe/d.

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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