



# DIAZ RESOURCES LTD.

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

The following is for release in Canada at 7:00 a.m., Tuesday, February 24, 2004.

## **DIAZ UPDATES ACTIVITIES**

---

Diaz Resources Ltd. is pleased to announce the drilling results from its fall and winter drilling program and updates its current operations.

In the U.S., the Mustang Creek - Lehrer #2 well completion operations have been concluded and the well is currently producing 1.1 MMcf per day at 4,900 psi. The operator plans to gradually increase the production from this well. Diaz has a 9% working interest in this well.

Completion operations at the Hound Dog - Ray Dickson #1 well are still underway. The well was completed in the lowest Wilcox sand in the wellbore, which is down dip and is nearly one mile from the crest of the structure. The sand has been proven to be gas bearing with a bottom hole pressure of 14,375 psi. The well was tested up casing at rates of up to 400 Mcf per day at a flowing pressure of 1,500 psi and is cleaning up after the fracture treatment. The operator plans to temporarily suspend production from this zone and stage complete the next Wilcox sands in the wellbore, which Diaz believes are higher on the structure and based on log and core analysis have better porosity and permeability than the first zone completed. This operation will commence as soon as service equipment is available. Final completion and commingling of the sands should occur within the next few months. Diaz has a 22.5% working interest in this well.

In Canada, Diaz has participated in drilling 14 wells (7.33 net) resulting in 10 gas wells, 2 oil wells and two dry holes, resulting in an overall success rate of 86%.

Diaz has plans to drill and/or re-enter up to 5 more wells in the first quarter of 2004 and with the wells currently being tied-in, the Company expects to exit the first quarter of 2004 at 1,500 Boe per day.

*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:**

*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

*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.**