



DIAZ RESOURCES LTD.

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

The following is for immediate release in Canada, Tuesday, August 30, 2005.

DIAZ ANNOUNCES NORMAL COURSE ISSUER BID

Diaz Resources Ltd. announces that it has filed notice with The Toronto Stock Exchange (“the Exchange”) to make a Normal Course Issuer Bid (the “Bid”), to purchase through the facilities of the Exchange, from time to time, as it considers advisable, up to 2,990,000 of the issued and outstanding Common Shares (being approximately 5% of the 59,801,886 Common Shares outstanding at August 16, 2005).

As previously announced at its shareholder’s meeting on June 9, 2005, Diaz’s shareholders approved an amendment to the Articles of the Company to convert Subordinate Voting Shares and Multiple Voting Shares into one class of Common Shares, on a one-for-one basis. As a result, Diaz currently has only one class of shares outstanding.

The Bid will commence on September 6, 2005 and terminate on the earlier of September 5, 2006 and the date on which Diaz acquires all of the shares sought pursuant to the Bid. The price which Diaz will pay for any shares purchased by it will be the prevailing market price of such shares on the Exchange at the time of purchase. Any shares acquired by Diaz pursuant to the Bid will be cancelled.

Pursuant to a normal course issuer bid through the facilities of the Exchange that commenced on August 18, 2004, during the prior 12 months Diaz purchased 66,000 Subordinate Voting A Shares at an average cost of \$0.53 per share, 10,000 Multiple Voting Shares at an average cost of \$0.47 per share and 10,000 Common Shares at an average cost of \$0.65 per share. All shares were purchased on the Exchange and have been cancelled.

Diaz believes that the price of the Common Shares may not reflect their underlying value, from time to time, and that, at such times, the purchase of Common Shares will increase the proportionate interest of, and be advantageous to, all remaining shareholders.

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, natural gas exploration in central and southern Alberta and deep 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

Email: info@diazresources.com

TSX: DZR

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.