



# DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Wednesday, October 5, 2005

## **DIAZ INCREASES INTEREST IN HOUND DOG PROSPECT, LAVACA COUNTY, TEXAS AND UPDATES U.S. PRODUCTION**

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Diaz Resources Ltd. announces that it has completed the purchase of an additional 5.625% working interest in the Hound Dog Dickson #1 well and adjacent lands, increasing Diaz's working interest to 28.125%.

The Dickson Hound Dog #1 well is currently producing 3.8 MMcfd from the Wilcox #8 gas zone. Three other Wilcox gas zones, up hole in the well, have yet to be completed.

In addition, plans are underway to drill a second well on the Hound Dog prospect in the first quarter of 2006. The well will be drilled to a depth of 16,700 feet targeting multiple Wilcox gas zones.

With this purchase Diaz's working interest in current gas production in the U.S. increased to approximately 3.7 MMcfd or 617 BOEd.

*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:

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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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