



DIAZ RESOURCES LTD.

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The following is for release in Canada, Monday, November 14, 2005.

DIAZ REPORTS IMPROVED FINANCIAL RESULTS FOR FIRST NINE MONTHS OF 2005 AND UPDATES STRATEGIC REVIEW PROCESS AND TEXAS EXPLORATION

Diaz today reported that financial and operating results for the nine months ended September 30, 2005 were improved over the same period in 2004, primarily due to higher commodity prices. However, exploration and development successes throughout the year, primarily in the Company's natural gas properties in Texas, have set the stage for significant production and cash flow growth in the fourth quarter of 2005.

Strategic Review Process

Diaz advises that due to the Company's recent successes in its U.S. exploration program, together with high commodity prices, the Board of Directors has terminated the formal strategic review process relating to the sale of assets, or the Company, at this time. Although Diaz continues to explore all avenues relative to increasing shareholder value, the focus for the near future will be to increase its U.S. exploration and drilling activities.

Texas Exploration

During the third quarter, Diaz increased its interest in the Hound Dog property from 5.6% to 28.1%. The initial well in the property is currently producing at a rate of 4.0 MMcfd.

The initial well on the Allen Ranch property was completed in the third sand during the third quarter and is currently producing at a rate of 5.8 MMcfd.

A second well on the Allen Ranch property commenced drilling in October and is currently drilling at 13,300 feet. The well is planned to be drilled to a target depth of 16,800 feet and will test a deeper Wilcox sand identified on stream and is the fourth shallow sand encountered in the initial well. The well should reach total depth in December 2005.

Financial

Revenue for the nine months ended September 30, 2005 totaled \$12.3 million compared with \$10.6 million one year earlier.

Cash flow for the period increased by 17% to \$7.9 million, or \$0.13 per share compared with \$6.7 million, or \$0.12 per share in 2004. The rapid growth in U.S. production revenue resulted in Diaz's cash flow being reduced by \$575,000 of current taxes payable. The Company plans to rapidly increase its U.S. capital budget, which will defer some of the current taxes payable.

Diaz reported earnings for the nine months ended September 30, 2005 of \$2.3 million, or \$0.04 per share compared with \$1.0 million, or \$0.02 per share reported in 2004.

Capital expenditures for the nine months ended September 30, 2005 totaled \$7.0 million compared with \$7.6 million in 2004 and were wholly financed from cash flow. Diaz completed the third quarter of 2005 with net debt of \$7.6 million and debt repayability, annualized, from cash flow from operations was approximately 0.7 times.

Operating

Natural gas production for the nine months ended September 30, 2005 averaged 6.0 MMcfd compared with 6.3 MMcfd for the same period in 2004. Oil production averaged 165 Bopd for the period compared with 105 Bopd in 2004 and total production averaged 1,161 BOEd in 2005 compared with 1,062 BOEd for the same period in 2004.

Production growth in Canada was impacted by the premature decline of one of the Company's wells in the Enchant area. The Company's plans to increase production were further impacted by wet conditions, which delayed drilling, pipelining and completion operations.

At September 30, 2005, Diaz had over 500 BOEd, temporarily restricted or behind pipe, 270 BOEd of which was placed on stream in October 2005. However, based on identified reserves currently behind pipe, which the Company plans to connect in Q4 2005 and Q1 2006, Diaz believes that it will exit the year at 1,600 BOEd and be producing at over 2,000 BOEd in Q1 2006.

SEDAR Filings

Further information regarding financial and operating results may be obtained at www.sedar.com, where the Company's MD&A and financial statements have been filed, as well as the Diaz website at www.diazresources.com.

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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.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Summary of Operations

| <i>(Thousands, except per share amounts)</i> | Nine Months Ended September 30 | |
|--|---|---------------|
| | 2005 | 2004 |
| Financial | | |
| Total revenue | \$ 12,274 | \$ 10,551 |
| Cash flow from operations | \$ 7,859 | \$ 6,717 |
| per share, diluted | \$ 0.13 | \$ 0.12 |
| Earnings for the period | \$ 2,322 | \$ 976 |
| per share, diluted | \$ 0.04 | \$ 0.02 |
| Capital additions | \$ 7,014 | \$ 7,596 |
| Dispositions | \$ 725 | \$ 219 |
| Net debt | \$ 7,651 | \$ 7,622 |
| Total assets | \$ 50,197 | \$ 43,789 |
| Operations | | |
| Production | | |
| Gas (MMcfd) | 6.0 | 6.3 |
| Oil (Bopd) | 165 | 105 |
| BOEd (6Mcf = 1Bbl) | 1,161 | 1,162 |
| Product Prices | | |
| Gas (\$/Mcf) | \$ 7.61 | \$ 6.76 |
| Oil (\$/Bbl) | \$ 60.74 | \$ 46.92 |
| Total shares outstanding, at period end | 59,815 | 58,296 |

FOR FURTHER INFORMATION, PLEASE CONTACT:

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