



DIAZ RESOURCES LTD.

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

The following is for immediate release in Canada, Wednesday, December 28, 2005

DIAZ ANNOUNCES THE SUCCESSFUL DRILLING OF THE ALLEN RANCH HANCOCK #2 WELL COLORADO COUNTY, TEXAS

Diaz Resources Ltd. is pleased to announce that the Hancock #2 well, on the Allen Ranch Prospect, has been drilled to 17,072 feet and is presently being prepared to run production casing. Diaz holds a 20% interest in this well.

The well encountered the same Wilcox gas zones currently being produced in the Allen Ranch Hancock #1 well. In addition, the well logged a number of potentially productive gas zones both shallower and deeper than the current field development zones. All of these zones have been evaluated using a full suite of electric logs. Further details on this well are being held confidential at this time.

Diaz anticipates that completion operations on this well will commence during the first quarter of 2006.

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.

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