



DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Tuesday, January 10, 2006

DIAZ COMMENCES DRILLING FOLLOW-UP WELL ON THE HOUND DOG PROSPECT, LAVACA COUNTY, TEXAS

Diaz Resources Ltd. today announced that drilling operations have commenced at its Hound Dog Prospect, Lavaca County, Texas. The well, Camden Resources R. Dickson #2, was spudded on January 7, 2006 and is expected to take approximately 70 days to reach the proposed depth of 17,000 feet.

The well is located 2,150 feet southeast of its discovery well, the R. Dickson #1, but is a new pool wildcat targeting four deeper Wilcox zones, one of which tested gas in the offset R. Dickson #1 well. Diaz has a 25.3% working interest in this well.

The R. Dickson #1 well is currently producing at 3.8 MMcf per day and has a cumulative production of 0.65 BCF.

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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