



**DIAZ RESOURCES LTD.**

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The following is for immediate release in Canada, Thursday, April 13, 2006

## **DIAZ UPDATES ACTIVITIES AT ALLEN RANCH, TEXAS**

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Diaz Resources Ltd. reports that the gas processing facility on the Allen Ranch prospect, Colorado County, Texas is now operational. The facility is capable of processing up to 13 mmcf/d and will be utilized to handle additional gas production from the existing Allen Ranch wells.

As a result of the completion of the new facility, the production rate from the fourth Wilcox zone completed in the Hancock #1 well has been increased to 7.1 mmcf/d at 6300 PSI. The well will continue to be produced at this rate until the pressure declines to allow for commingling operations. At that time, this zone will be commingled with the three lower gas zones which have previously been extensively tested.

The Hancock #2 well is a multi-pay gas discovery well drilled in December 2005. The deepest zone in the well has been temporarily suspended in order to commence completion operations on the next two zones in the well. Prior to being suspended the zone was flowing at a rate of 1.6 mmcf/d. This zone will be commingled with the shallower zones in due course.

Diaz and its partners plan to drill a third deep well on the property. The estimated total depth of this well will be approximately 17,000 feet. The well is planned for the summer of 2006 when the deep drilling rig returns to the Allen Ranch property to commence a multi-well development program.

Diaz has a 20% working interest in this property.

*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 – the press release today contains “forward-looking” information. Actual results could differ materially from the conclusions, forecasts or projections in the forward-looking information. Certain material factors and assumptions were applied in drawing the conclusions or making the forecasts or projections as reflected in the forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information and the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection as reflected in the forward-looking information is contained in the press release.*

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