



The following is for immediate release in Canada, Tuesday, November 14, 2006

**DIAZ REPORTS FINANCIAL & OPERATING RESULTS
FOR FIRST NINE MONTHS OF 2006**

Diaz Resources Ltd. today reported that its financial and operating results for the nine months ended September 30, 2006, were lower than during the same period in 2005. This was primarily due to declining natural gas prices in the third quarter, which were 29% lower than during the third quarter of 2005.

The Company responded to this price decline, during the past six months, by postponing lower productivity infill gas well drilling in Alberta and delaying new deep Wilcox projects in Texas.

Since the end of the third quarter of 2006, natural gas prices have strengthened as the fundamentals supporting gas prices have become increasingly favourable. Natural gas storage in the United States, which has been excessively high on an annual basis, is trending towards a normal seasonal level, and gas targeted rig activity in Canada has dropped considerably.

In response to this more favorable trend, Diaz plans to gradually increase its level of drilling activity and will recommence an active development program in Alberta, as well as commence deep Texas drilling, during the first quarter of 2007.

Financial

Revenue for the nine months ended September 30, 2006 totaled \$11.7 million compared with \$12.3 million one year earlier.

Cash flow for the nine month period decreased by approximately 7% to \$7.3 million, or \$0.12 per share compared with \$7.9 million, or \$0.13 per share in 2005. Diaz reported earnings for the nine months ended September 30, 2006 of \$1.7 million, or \$0.03 per share compared with \$2.3 million, or \$0.04 per share reported in 2005.

Capital expenditures for the period totaled \$10.4 million compared with \$7.0 million in 2005 and were financed from cash flow, an increase in Corporate debt, and proceeds of an equity financing completed in December 2005. Diaz completed the third quarter of 2006 with net debt of \$10.4 million and debt repayability, annualized, from cash flow from operations of approximately 1.1 years.

Operating

Natural gas production for the nine months ended September 30, 2006 increased to 6.1 MMcfd from 6.0 MMcfd for the same period in 2005 and oil production declined marginally to average 138 Bopd for the period compared with 165 Bopd for the same period in 2005.

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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.

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



DIAZ RESOURCES LTD.

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Natural gas production for Q3 2006 averaged 5.7 MMcfd compared with 6.4 MMcfd for Q2 2006. Oil production averaged 115 Bopd for Q3 compared with 141 Bopd in Q2 2006. Total production averaged 1,059 BOEd in Q3 2006 compared with 1,217 BOEd in Q2 2006.

Gas production in the United States averaged 3.1 MMcfd for the first nine months of 2006 compared with 2.2 MMcfd in 2005 despite being lower than anticipated due to a requirement to upgrade certain production facilities at the Company's Provident City gas field. In addition, gas flow rates from the Allen Ranch and Hound Dog fields were restricted while additional completion operations were being conducted on these wells.

In anticipation of higher winter gas prices, Diaz completed production facilities at Jaslan, Alberta, which came on-stream on November 3, 2006, adding an additional 1.0 MMcfd to the Company's gas production.

2006 Guidance

The decline in the natural gas price during the first nine months of 2006 resulted in Diaz reducing its planned capital budget for 2006. However, the Company has revised its gas price forecast, in Canada, to average between \$7.00 and \$8.00 for the last three months of 2006. This results in the following range of guidance:

- Production exit rate (BOEd) 1,200 to 1,300
- Cash flow (millions) \$10.0 to \$11.0
- Capital expenditures (millions) \$12.0 to \$13.0

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.

BOE Presentation – The term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this report are derived by converting gas to oil in the ratio of six Mcf of gas to one Bbl of oil.

Financial Reporting – All numbers are reported in Canadian dollars.

Diaz is an oil and gas exploration and production company based in Calgary, Alberta. Diaz's current focus is on deep gas exploration in Texas and on shallow gas developments in southern Alberta and natural gas exploration in central and southern Alberta.

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Summary of Operations

(Unaudited) (Thousands, except per share amounts)	Nine Months Ended September 30	
	2006	2005
Financial		
Total revenue	\$ 11,675	\$ 12,274
Cash flow from operations	\$ 7,334	\$ 7,859
per share, diluted	\$ 0.12	\$ 0.13
Earnings for the period	\$ 1,769	\$ 2,322
per share, diluted	\$ 0.03	\$ 0.04
Capital additions	\$ 10,404	\$ 7,014
Dispositions	\$ 160	\$ 725
Net debt	\$ 10,387	\$ 7,651
Total assets	\$ 58,940	\$ 50,197
Operations		
Production		
Gas (MMcfd)	6.1	6.0
Oil (Bopd)	138	165
BOEd (6Mcf = 1Bbl)	1,155	1,161
Product Prices		
Gas (\$/Mcf)	\$ 7.18	\$ 7.61
Oil (\$/Bbl)	\$ 65.90	\$ 60.74
Total shares outstanding, at period end	61,848	59,815

FOR FURTHER INFORMATION, PLEASE CONTACT:

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