



DIAZ RESOURCES LTD.

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

The following is for immediate release in Canada, Tuesday, January 30, 2007

DIAZ ANNOUNCES PROPOSED CONVERTIBLE UNSECURED SUBORDINATED DEBENTURE FINANCING

Diaz Resources Ltd. (TSX: DZR) (“Diaz”) announces that the Company has entered into an agreement with Research Capital Corporation (the “Agent”) for a private placement, on a best efforts agency basis, of up to \$10 million principal amount of convertible unsecured subordinated debentures (the “Debentures”). Diaz has granted the Agent an option (the “Over-Allotment Option”) to increase the size of the offering by up to an additional \$5 million principal amount of Debentures, exercisable in whole or in part at any time prior to the closing of the offering. Should the Over-Allotment Option be fully exercised, the total gross proceeds of the offering would be approximately \$15 million.

The Debentures will bear interest at a rate of 8.75% per annum payable semi-annually in arrears on June 30 and December 31 in each year commencing June 30, 2007. The Debentures will mature 5 years and a day from the closing date. The Debentures will be convertible at any time at the option of the holder into Common Shares of Diaz (“Common Shares”) at a conversion price of \$1.00 per common share. Diaz will have the right to redeem the Debentures after two years from the closing of the offering in certain circumstances if the Common Shares trade at a specified premium over the conversion price.

The net proceeds from the offering will be used to finance the Company’s exploration and development program in Canada and the United States.

Closing of the offering is scheduled for February 28, 2007, and is subject to satisfaction of certain conditions, including receipt of all required regulatory approvals.

This News Release does not constitute an offer to sell or the solicitation of an offer to buy any Debentures or Common Shares within the United States. The Debentures or Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, the Debentures or Common Shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under 1933 Act and applicable state securities laws or an exemption from such registration is available.

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.**



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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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