



DIAZ RESOURCES LTD.

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DIAZ ANNOUNCES FIRST QUARTER 2008 RESULTS

Diaz Resources Ltd. (TSX: DZR) (“Diaz”) announces that it has filed its Interim Report for the three months ended March 31, 2008.

Diaz’s first quarter 2008 revenue and cashflow results improved over the prior quarter and reversed the downward trend in production rates with the addition of several new producing wells.

During the quarter, Diaz drilled the N.W. Speaks Robertson #1 Well in Lavaca County, Texas, which encountered multiple Wilcox sands. The well was fracture stimulated in early May 2008 in the lowest Wilcox gas zone and is currently producing 2.45 Mmcf/d of natural gas and 32 barrels of oil, at 2,700 psi flowing pressure.

In Canada, a discovery well from the 2007 winter program was brought on production at 500 Mcfd (Diaz has an 80% WI) and the workover of a horizontal oil well at Parkman, Saskatchewan added 50 Bbls per day of production net to the Company.

Financial

Revenue for the three month period ended March 31, 2008, totalled \$3.17 million compared with \$2.97 million in Q4 2007 and with \$3.25 million in Q1 2007. Cash flow from operations increased to \$1.64 million, or \$0.02 per share compared with \$1.20 million or \$0.02 per share for Q4 2007 and with \$1.56 million or \$0.02 per share in Q1 2007. Diaz reported a loss for the three month period of \$381,000 or \$(0.01) per share versus a loss of \$168,000 or nil per share in Q4 2007 and a loss of \$278,000 or nil per share in Q1 2007.

Capital expenditures for the first quarter of 2008 totalled \$2.48 million compared with \$2.66 million in Q4 2007 and with \$1.87 million in Q1 2007 and were financed from cash flow and an increase in bank debt.

Diaz completed the first quarter with a net current debt of \$9.4 million versus \$8.5 million at the beginning of the period. Diaz also had outstanding convertible debentures of \$7.1 million that mature on March 26, 2012.

Production

Natural gas production for the first quarter remained steady averaging 4.0 MMcfd for Q1 2008 compared with 4.0 MMcfd for the prior quarter Q4 2007. Oil production increased to average 155 Bopd for Q1 2008 compared with 98 Bopd for Q4 2007.

Overall, production has increased 6% to 816 BOEd for Q1 2008 compared with 773 BOEd for the prior quarter Q4 2007.

Business Outlook

In the second quarter, natural gas prices have increased to the range of \$9.00 to \$10.00 per Mcf resulting from low year-on-year gas storage inventories in Canada and in the United States. Diaz expects this strong natural gas price trend to continue at least in the near term and plans to increase its infill development program accordingly if operating cashflow exceeds the Company's current cashflow forecast. The Company's number one priority for the remainder of 2008 is to optimize existing natural gas properties while matching capital investment with operating cashflow.

Summary of Operations

(Thousands, except per share amounts)(unaudited)	Three Months Ended Mar. 31, 2008	Prior Quarter Dec. 31, 2007	Three Months Ended Mar. 31, 2007
Financial			
Total revenue	\$ 3,170	\$ 2,970	\$ 3,249
Cash flow from operations	1,643	1,204	1,556
per share, diluted	0.02	0.02	0.02
(Loss) earnings for the period	(381)	(168)	(278)
per share, diluted	(0.01)	-	-
Capital additions	2,479	2,655	1,866
Dispositions	-	271	459
Net current debt	9,404	8,542	4,563
Convertible debentures*	5,896	5,832	5,694
Total assets	61,221	60,794	59,480
Total shares outstanding	67,239	67,239	63,861
Operations			
Production			
Gas (MMcfd)	4.0	4.0	5.6
Oil (Bopd)	155	98	90
BOEd (6 Mcf = 1 Bbl)	816	773	1,017
Product Prices			
Gas (\$/Mcf)	7.82	7.20	7.26
Oil (\$/Bbl)	71.43	72.01	56.22

* Convertible debentures issued in Q1 2007, have a face value of \$7.1 million and mature on March 26, 2012.

BOE Presentation – the term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1Bbl 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.

It should not be assumed that estimates of future revenues presented in this press release represent fair market value of the reserves.

Financial Reporting – all numbers are reported in Canadian dollars.

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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