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## **DIAZ ANNOUNCES YEAR END RESULTS AND RESERVES SUMMARY**

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Diaz Resources Ltd. (TSX: DZR) (“Diaz”) announces that it has filed its 2008 MD&A, Financial Statements, and Annual Information Form (“AIF”).

Diaz’s 2008 revenue and cashflow results were improved over the prior year resulting from strong commodity prices during the first, second and third quarters and an overall increase in natural gas production for the year.

Revenue for 2008 totalled \$15.1 million compared with \$12.1 million for 2007. Cash flow from operations increased to \$7.7 million, or \$0.12 per share compared with \$5.4 million or \$0.08 per share in 2007. Diaz reported a loss for the year of \$4.1 million or (\$0.06) per share versus a loss of \$1.6 million or (\$0.02) per share in 2007 as it took an impairment write down against its oil and gas assets of \$2.7 million.

Capital expenditures for 2008 totalled \$7.9 million compared with \$10.9 million in 2007 and were financed primarily from cash flow.

Diaz completed 2008 with a net current debt of \$8.4 million versus \$8.5 million at the beginning of the year. Diaz also had outstanding convertible debentures of \$7.1 million that mature on March 26, 2012.

The Company’s production for the year ended December 31, 2008, increased 2% to 886 BOEd compared with the prior year average of 865 BOEd; however, fourth quarter production increased by 13% to average 871 BOEd compared with the Q4 2007 average rate of 773 BOEd.

In the U.S. production rates fell by 24% as mature well production declines were partially offset by production from the Black Owl field. In Canada, production increased 19% as new production from Leahurst, Big Bend, Retlaw, Lloydminster and Carmangay offset production declines in mature wells.

The independent engineering evaluation of Diaz’s properties assigned proved reserves before royalties of 1.9 million BOE and total reserves before royalties totaled 3.7 million BOE at December 31, 2008. These reserve estimates result in a before tax present value of estimated future net revenues, discounted at 10%, of \$59.4 million. There is no assurance that this represents the fair value of the assets.

Diaz plans to match capital spending to operating cashflows and has halted the majority of new projects until gas prices improve over current levels. Diaz’s future exploration program will focus on developing its Canadian properties which can be managed within the Company’s capital budget.



# DIAZ RESOURCES LTD.

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SUMMARY OF OIL AND GAS RESERVES  
AND NET PRESENT VALUES OF FUTURE NET REVENUE  
AS OF DECEMBER 31, 2008  
FORECAST PRICES AND COSTS

<b><u>COMPANY TOTAL</u></b>	RESERVES								RESERVES	RESERVES
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		TOTAL	TOTAL
	Gross (MBbl)	Net (MBbl)	Gross (MBbl)	Net (MBbl)	Gross (MMcf)	Net (MMcf)	Gross (MBbl)	Net (MBbl)	Gross (MBOE)	Net (MBOE)
<b>RESERVES CATEGORY</b>										
<b>PROVED</b>										
Developed Producing	109	88	-	-	5,144	4,047	25	15	992	778
Developed Non-producing	35	31	-	-	1,099	877	1	-	219	177
Undeveloped	2	1	-	-	-	3,307	29	18	686	570
<b>TOTAL PROVED</b>	<b>146</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>10,172</b>	<b>8,231</b>	<b>55</b>	<b>33</b>	<b>1,897</b>	<b>1,525</b>
<b>PROBABLE</b>	<b>68</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>9,980</b>	<b>7,653</b>	<b>37</b>	<b>23</b>	<b>1,769</b>	<b>1,354</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>214</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>20,152</b>	<b>15,884</b>	<b>92</b>	<b>56</b>	<b>3,666</b>	<b>2,879</b>

<b><u>COMPANY TOTAL</u></b>	NET PRESENT VALUES OF FUTURE NET REVENUE									
	BEFORE INCOME TAXES					AFTER INCOME TAXES				
	DISCOUNTED AT (% per year)									
<b>RESERVES CATEGORY</b>	0 (MMS)	5 (MMS)	10 (MMS)	15 (MMS)	20 (MMS)	0 (MMS)	5 (MMS)	10 (MMS)	15 (MMS)	20 (MMS)
<b>PROVED</b>										
Developed Producing	27.0	22.9	19.9	17.7	16.0	26.0	21.9	19.1	16.9	15.3
Developed Non-producing	7.3	4.5	3.2	2.5	2.0	7.3	4.5	3.2	2.5	2.0
Undeveloped	18.6	11.6	7.8	-	3.8	14.0	9.0	6.1	4.2	3.1
<b>TOTAL PROVED</b>	<b>52.9</b>	<b>39.0</b>	<b>30.9</b>	<b>25.6</b>	<b>21.8</b>	<b>47.3</b>	<b>35.4</b>	<b>28.4</b>	<b>23.6</b>	<b>20.4</b>
<b>PROBABLE</b>	<b>61.8</b>	<b>40.7</b>	<b>28.5</b>	<b>20.9</b>	<b>15.9</b>	<b>41.6</b>	<b>27.3</b>	<b>19.1</b>	<b>14.1</b>	<b>10.6</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>114.7</b>	<b>79.7</b>	<b>59.4</b>	<b>46.5</b>	<b>37.7</b>	<b>88.9</b>	<b>62.7</b>	<b>47.5</b>	<b>37.7</b>	<b>31.0</b>

Further information regarding financial and operating results may be obtained at [www.sedar.com](http://www.sedar.com), where the Company's MD&A and financial statements have been filed.

Dias has also filed its Annual Information Form which includes the Company's reserves data and other oil and gas information for the year ended December 31, 2008, as mandated by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators. Copies of Diaz's AIF may be obtained at [www.sedar.com](http://www.sedar.com).



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## Summary of Operations

<i>(Thousands, except per share amounts)</i>	Years Ended December 31	
	2008	2007
<b>Financial</b>		
Total revenue	\$ 15,099	\$ 12,082
Cash flow from operations	7,737	5,429
per share, diluted	0.12	0.08
Loss for the period	(4,087)	(1,605)
per share, diluted	(0.06)	(0.02)
Capital additions	7,778	10,853
Dispositions	74	853
Net current debt	8,449	8,542
Convertible debentures*	6,094	5,832
Total assets	56,761	60,794
Total shares outstanding at period end	67,178	67,239
<b>Operations</b>		
Production		
Gas (MMcfd)	4.5	4.6
Oil (Bopd)	140	97
BOEd (6 Mcf = 1 Bbl)	886	865
Product Prices		
Gas (\$/Mcf)	\$8.32	\$7.17
Oil (\$/Bbl)	\$86.08	\$67.39
Reserves (proved plus probable, future costs and prices)		
Gas (Bcf)	20.2	26.7
Oil (MBbl)	227.0	373.0
BOE (Millions)	3.7	4.8
Net present value of future net revenue, before tax (\$Millions at 10%) **	\$ 59.4	\$ 83.2
Undeveloped land holdings (net acres)		
Canada	50,108	46,581
United States	4,321	1,853
Total net acreage	54,429	48,434



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\* Convertible debentures issued in Q1 2007, have a face value of \$7.1 million and mature on March 26, 2012. See Note 8, "Convertible Debentures", in the notes to the financial statements for the year ended December 31, 2008.

\*\* Net present value of future net revenue does not represent fair market value of reserves.

*Diaz is an oil and gas exploration and production company based in Calgary, Alberta. Diaz's current focus is on gas and oil development and exploration in Alberta, Saskatchewan and Texas.*

FOR FURTHER INFORMATION, PLEASE CONTACT:

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*ADVISORY: Certain information regarding the Company in this News Release including management's assessment of future plans and operations, the use of proceeds from the offering and the anticipated closing date of the offering, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, wells not performing as expected, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could effect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at the Company's website ([www.diazresources.com](http://www.diazresources.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

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