



The following is for immediate release Monday, June 1, 2009

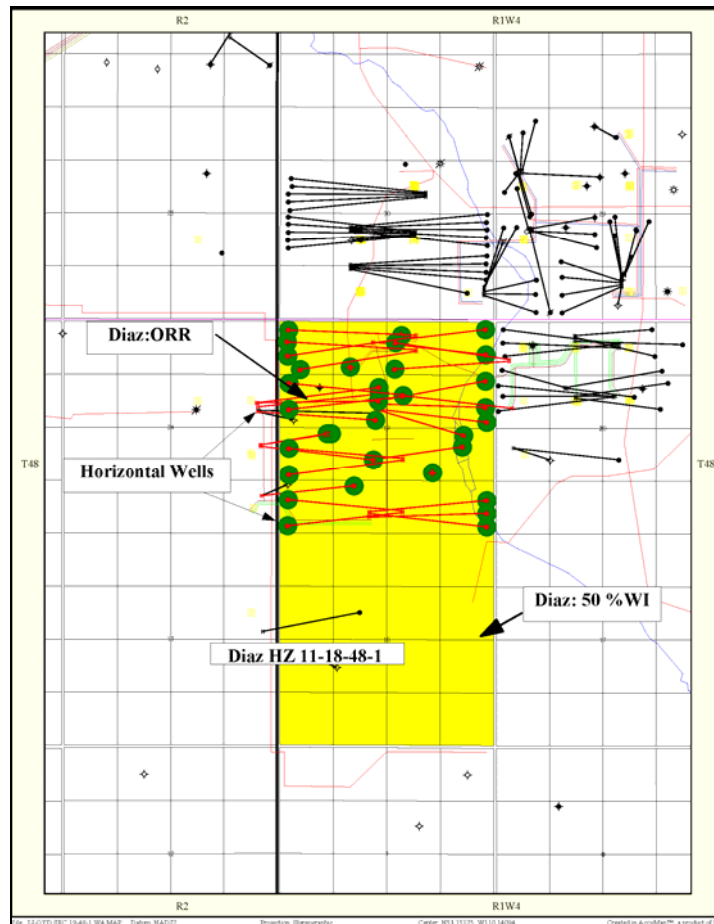
## **DIAZ UPDATES LLOYDMINSTER PROJECT**

**Diaz Resources Ltd. (TSX:DZR)** today reported that it plans to accelerate its development activities on a section of land strategically located in the Lloydminster area of central Alberta.

Diaz holds a 50% working interest in the section that presently has one horizontal well, drilled in the fall of 2008, which is currently producing 63 barrels of oil per day. The well has produced approximately 6,000 barrels of oil to date.

Diaz is the operator of the lands and had planned to drill three additional wells on the section; however, the Company has received a notice from its partner of their intention to file a holding application which would allow for up to 64 wells to be drilled on a 640 acre holding.

The partner is the operator the section immediately to the north of the Diaz operated lands and has drilled 31 horizontal wells to date on that section, in which Diaz has an overriding royalty interest. According to public records the production rates from those wells reached a maximum of approximately 1,320 barrels per day, with associated gas, and are currently producing at a rate of over 1,180 barrels per day.



**Diaz –  
Lloydminster  
Land Holdings**

As a result of higher oil prices, encouraging production rates on Diaz's oil well, and the Company's interpretation, based on geological and 3D seismic, that the entire section could be hydrocarbon bearing, the Company plans to focus its 2009 efforts on rapidly developing this oil pool.

In order to finance this development the Company is investigating a number of financing alternatives. Diaz will also benefit, in the short term, from the new Alberta royalty incentive program which will defray some of the drilling costs for additional wells and provides a lower royalty rate for the first year of production for the new wells.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

*Robert W. Lamond, Chairman – or –  
Donald K. Clark, Chief Operating Officer*

DIAZ RESOURCES LTD.

Telephone: (403) 269-9889

Fax: (403) 269-9890

Website: [www.diazresources.com](http://www.diazresources.com)

Email: [info@diazresources.com](mailto:info@diazresources.com)

TSX: DZR

*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.*

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