

July 23, 1996

Asensio & Company, Inc. reconfirms its Strong Sell recommendation of the Diana Corporation's stock citing management's reversal of prior claims in new SEC filing.

Diana changes its Sattel acquisition disclosure and DataNet product description in latest of a series of amendments to its SEC filings.

Today Diana filed an Amended Form 10K with the Securities and Exchange Commission. In the amendment Diana made material changes to its description of its Sattel subsidiary and its heavily promoted DataNet product. The new description entirely concurs with our analysis. Furthermore, it validates our claim that the Company has made material misstatements while promoting its stock.

We have stated and shown that Diana's product, production and research & development claims were entirely false and misleading. We believe that Diana's action of amending its 1995 Form 10K is a result of external influences. We have cautioned investors of the regulatory and legal liability risks related to Diana's material misstatements in its press releases and filings with the Securities and Exchange Commission ("SEC"). The Company has incurred these risks. We believe that this last of many amendments to its historical SEC filings is a novel but ineffective method to deal with these serious risks. We see no legitimate reason for Diana's current market value and believe that the shares will soon trade at their 52 week low of \$5 1/4.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.