

Caza Oil & Gas Announces Hydrocarbon Discovery



Lucky Penny 10 State #1 Horizontal Well

Press Release

Source: Caza Oil & Gas, Inc.

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HOUSTON, TEXAS--(Marketwire - Oct. 6, 2009) - Caza Oil & Gas, Inc. ("Caza" or the "Company") (TSX:CAZ - [News](#); AIM:CAZA) is pleased to announce a hydrocarbon discovery in the Abo/Wolfcamp horizontal oil play in New Mexico, USA.

The Lucky Penny 10 State #1 horizontal well in Lea County, New Mexico is Caza's initial well in the play. The well was drilled to a total measured depth of 10,571 feet. The horizontal section was fracture stimulated and a production pump has been installed. Details on flow rate will be provided once fracture fluid has been recovered and oil production has stabilized. Caza has a 12.5% carried working interest in the Lucky Penny well and a net revenue interest of 9.375%.

Other participants in the well include: Endeavour International Corporation with a 56.25% working interest and 42.1875% net revenue interest; and Wise Oil & Gas No. 8, Ltd. with a 31.25% working interest and 23.4375% net revenue interest.

Mike Ford, CEO and President of the Company, commented:

"We are very pleased to have a discovery with our first well in the Abo/Wolfcamp horizontal oil play. We hope to report encouraging news regarding flow rate in due course."

In accordance with AIM Rules - Guidance Note for Mining, Oil and Gas Companies, the information contained in this announcement has been reviewed and approved by Anthony B. Sam, Vice President, Operations of Caza who is a Petroleum Engineer and a member of The Society of Petroleum Engineers.

ADVISORY REGARDING FORWARD LOOKING STATEMENTS

Information in this news release that is not current or historical factual information may constitute forward-looking statements within the meaning of securities laws. Such information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information regarding the Lucky Penny 10 State #1 well and/or future exploration and drilling activities contained in this news release constitute forward-looking information within the meaning of securities laws.

Implicit in this information, particularly in respect of wells, production, flow rates and test rates are assumptions regarding projected revenue and expenses. Specifically, the Company has assumed that these wells will produce positive results. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operating results and economic performance of the Company are subject to a number of risks and uncertainties, including general mechanical, economic, market and business conditions and could differ materially from what is currently expected as set out above. Future flow rates from wells may vary, perhaps materially, and the wells in question may prove to be technically or economically unviable. Any future flow rates will be subject to the risks and uncertainties set out herein.

For more exhaustive information on these risks and uncertainties you should refer to the Company's most recently filed annual information form which is available at www.sedar.com. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time, except as required by applicable securities laws.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

Contact:

John McGoldrick
Caza Oil & Gas, Inc.
Executive Chairman
+1 281 363 4442

Mike Ford
Caza Oil & Gas, Inc.
CEO and President
+1 432 682 7424
www.cazapetro.com

Tim Feather
Hanson Westhouse Limited
+44 (0)20 7601 6100

Richard Baty
Hanson Westhouse Limited
+44 (0)20 7601 6100

Peter Reilly
Aquila Financial Limited
+44 (0)118 979 4100

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