

## January 22 - Operational Update

HOUSTON, TEXAS--(Marketwire - Jan. 22, 2010) - Caza Oil & Gas, Inc. ("Caza" or the "Company") (TSX:CAZ)([AIM:CAZA](#)) provides an operational update on its activities in the Abo/Wolfcamp horizontal oil play in New Mexico, USA where it has now drilled four wells.

The first two wells, the Moore Bailout 11 State #1 and Lucky Penny 10 State #1 wells, as previously reported, were discoveries and both continue to produce at rates of approximately 20 barrels per day.

The Bada Bing 23 State #1, the third well in the program, was drilled to a total measured depth of 12,835 feet with a horizontal leg of 4,129 feet. The well encountered Abo/Wolfcamp dolomitic and limestone formations and a multi stage fracture stimulation was completed on 23 December 2009. The well continues to flow back completion fluid, but at this stage no hydrocarbons have been evident in the fluid recovered. The fourth well in the Abo/Wolfcamp horizontal play, Moore Cowbell 27 State #1, has been drilled to a total measured depth of 10,083 feet with a horizontal leg of 1,197 feet. Although core data indicates a 14 foot interval in the Abo zone from 8,679-8,693 feet to be pay, the horizontal leg of the well did not encounter any producible reservoir zones. Caza and its partner Wise Oil No. 8, Ltd. are planning a vertical completion within the Abo zone.

Under the definitive participation agreement between the Company and Endeavour International Corporation ("Endeavour"), Endeavour has the option as to whether to elect to participate in the Company's prospects and has informed the Company that, for strategic reasons, it will not participate in any of the Company's wells in Texas and Louisiana and is terminating the participation agreement with effect from 8 April 2010. The Company is currently in discussions to farm out these prospects and is confident that it will secure partners to drill these assets.

The Company is planning to spud a development well, the Matthys McMillan GU #2, around the middle of February 2010. Caza holds a 19.617% working interest (14.712% net revenue

interest) in the well. The location directly offsets the Matthys McMillan GU #1 well that was completed by Caza in July 2007 and has produced approximately 2.4 BCFGGE to date.

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

"The result from the Moore Cowbell 27 State #1 well is disappointing and we await the final evaluation of the Bada Bing 23 State #1 well. Caza was carried in each of the four wells in the Abo/Wolfcamp play which has mitigated the Company's financial exposure. We are evaluating the results of the program to date to establish the viability of the play and our acreage position.

It is our current intention to focus our resources on the deeper wells scheduled to be drilled in Texas and Louisiana starting with the Matthys McMillan GU #2 well which will be spudded shortly."

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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.

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, Moore Bailout 11 State #1, Bada Bing 23 State #1 and Moore Cowbell 27 State #1 wells and/or future exploration and drilling activities contained in this news release constitutes 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](http://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.