

July 3, 2008

Caza Oil & Gas, Inc. ("Caza" or the "Company")

Lynch Property – Production Start Up

Southeast New Mexico - Execution of Exploration Agreement

Houston, Texas (July 3, 2008) - Caza (CAZA AIM SYMBOL/CAZ TORONTO SYMBOL) is pleased to announce that it has completed the exploratory well on its Lynch Property located in Lea County, New Mexico, and sales gas from the well is now being delivered into a local gas gathering facility.

Caza is also pleased to announce that it has formed a strategic alliance with Wise Oil & Gas that will allow it to accelerate its leasing efforts in southeast New Mexico.

Lynch Property – Located in Lea County, New Mexico, the Mud Slide Slim 15 Federal #1 (the "Mud Slide well"), as previously announced, reached a total depth of 13,513 feet and was fracture stimulated in the Morrow formation. The Mud Slide well is currently producing at a gross sales rate of 823 thousand cubic feet of gas per day and 5 barrels of oil per day.

Caza is the operator of this well and has a 40% working interest and a corresponding 31.3% net revenue interest before payout, which reduces to a 27.8% working interest and a corresponding 20.9% net revenue interest after payout.

Exploration Agreement, Southeast New Mexico – Caza has executed an Exploration Agreement ("EA") with Wise Oil & Gas No. 8, Ltd. ("Wise"), naming Caza as Operator, under which they will jointly and exclusively (subject to certain conditions) lease acreage in Lea, Eddy and Chaves counties of southeast New Mexico on a 50/50 basis. The EA provides that, inter alia, Wise intends to provide a minimum of \$10 million for leasing over the next 2 years. Caza will have the option of deferring payment of its share of lease costs for up to eighteen months. If Caza elects to defer, Wise will receive an overriding royalty interest of two (2%) percent, which will increase after six months by one (1%) percent per quarter to a maximum of six (6 %) percent.

John McGoldrick, Executive Chairman of the Company, commented: "We are very pleased to report the start of production from the Mud Slide Slim well as this is the first well drilled under our southeast New Mexico exploration program. We are equally pleased to announce our new venture with Wise Oil & Gas, who are already partners in our four existing properties in southeast New Mexico. This alliance will give us the flexibility to quickly expand our leasing efforts in this exciting area."

About Caza

Caza is engaged in the acquisition, exploration, development and production of hydrocarbons in the Texas Gulf Coast (on-shore), south Louisiana, southeast New Mexico and the Permian Basin of west Texas regions of the United States of America through its subsidiary, Caza Petroleum, Inc.

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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.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS – In the interests of providing Caza shareholders and potential investors with information regarding Caza, including management’s assessment of Caza’s and its subsidiaries’ future plans and operations, certain statements contained in this news release are forward-looking statements or information within the meaning of applicable securities legislation, collectively referred to herein as “forward-looking statements.” Forward-looking statements in this news release include, but are not limited to: future economic and operating performance (including per share growth, cash flow and increase in net asset value); anticipated growth and success of resource plays and the expected characteristics of resource plays; free cash flow which may be generated in 2008 and beyond, and potential uses for such free cash flow; anticipated production and sales of oil, natural gas and NGLs in 2008; anticipated impact and success of Caza’s price hedging strategy, if any; anticipated costs; anticipated prices for oil and natural gas; anticipated capital investment in 2008 and the allocation thereof; anticipated capital inflation; anticipated capital and operating cost efficiencies; anticipated growth in hydrocarbon production; forecast cash flow for 2008 and the anticipated ability to meet guidance targets.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company’s actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon the company’s current guidance; fluctuations in currency exchange and interest rates; product supply and demand; market competition; risks inherent in the company’s

marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil, natural gas and liquids from resource plays and other sources not currently classified as proved; the company's ability to replace and expand oil and gas reserves; the company's ability to generate sufficient cash flow from operations to meet its current and future obligations; the company's ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the company's ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; the risk of terrorist threats; risks associated with future lawsuits and regulatory actions made against the company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Caza.

Although Caza believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, and, except as required by law or regulation, Caza 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. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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