

August 4, 2008

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

### **Glass Ranch Property – Drilling Update Operational Update**

Houston, Texas (August 4, 2008) - Caza (AIM: CAZA & TSX: CAZ) is pleased to announce that the second well of a four well programme, the Glass Ranch B #1 in Upton County, Texas, has successfully encountered hydrocarbons. The well, operated by Momentum Energy Corporation of Midland Texas, reached a total depth of 10,404 feet on July 28, 2008. Electric logs indicated multiple potential pay sands in the Wolfcamp and Spraberry formations. Completion operations have commenced and a fracture stimulation is planned for the near future. Following the success, the rig is being moved to an offsetting location to spud the Glass Ranch B #3 well.

Caza currently has a 50.0% working interest and a corresponding 38.54% net revenue interest before payout of the well, which will change after payout to an estimated 47.41% working interest and an estimated 35.78% net revenue interest.

Operational Update:

Since the Company's shares were admitted to trading on AIM and TSX in December 2007, Caza has drilled seven wells of which six encountered hydrocarbons. Four of the wells are in production while two are in the process of completion for production. A further ten wells are anticipated to be drilled before the end of 2008. The wells drilled and to be drilled are a mixture of exploration and offset development wells.

The Jonell Cerny well, as previously announced on May 9, 2008, experienced mechanical difficulties which prevented completion at that time. The well was however completed at an upper level in the Yegua formation and has been producing oil and gas in limited quantities. A fracture stimulation operation is planned in the near future as an attempt to increase the production.

The following table sets out the status of the successful wells drilled so far.

Lease	Well	Discovered	Current Status	Location	Net Revenue Interest	Caza Operated
Lynch	Mud Slide Slim	Gas	Producing	New Mexico	31.3%	Yes
Wilcox 116	Jonell Cerny	Oil & Gas	Producing; Awaiting Stimulation	Texas	20.9%	Yes
Eland	Hinton 1501	Gas	Producing	Texas	26.03%	Yes
Puku	Andel 2201	Gas	Producing	Texas	27.10%	Yes
Glass Ranch	A#1	Oil & Gas	Awaiting Completion	Texas	39.08%	No
Glass Ranch	B#1	Oil & Gas	Awaiting Completion	Texas	38.54%	No

John McGoldrick, Caza's Executive Chairman, commented:

“In addition to our successful 2008 first half drilling programme, we were delighted in June to receive strong institutional support for a further fund raising of £11.5 million which enables us to fully execute our planned 2008 drilling programme.

Our focus on regional knowledge and 3D seismic data is proving to be successful, and given our current momentum and recent capital infusion, we intend to build upon these successes with ten additional wells scheduled to commence drilling before the end of 2008.”

### **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.