

Caza Oil & Gas Announces 10% Increase in Proved Reserves and Updated Reserves Figures

June 9, 2014 (Source: Marketwired) – Caza Oil & Gas, Inc. (“Caza” or the “Company”) (TSX:CAZ) (AIM:CAZA) is pleased to provide an increase in reserves in the current year as a result of its successful development drilling program in the Bone Spring formation since December 31, 2013.

Total Net Reserves: In the Company’s latest reserves report as at April 30, 2014 (the “Reserves Report”), prepared by Netherland Sewell & Associates, Inc., total proved reserves (“1P”) have increased to 4,875 Mboe, representing an increase of approximately 10% from December 31, 2013. Small gains in the Company’s proved plus probable (“2P”) and proved plus probable plus possible (“3P”) reserves were also recorded as a result of the Company’s successful development drilling program during the period.

Net Bone Spring Reserves: The Company currently has 21 gross (4.6 net) wells producing from the Bone Spring formation. The Company’s Bone Spring properties have been assigned approximately 4,215 Mboe of proved reserves in the Reserves Report (3,727 Mboe as at December 31, 2013, representing an increase of 13.1% in the reserves attributed to these properties). The Reserves Report has also assigned approximately 18,020 Mboe of 2P reserves and approximately 35,080 Mboe of 3P reserves to these properties (17,602 Mboe of 2P reserves and approximately 34,600 Mboe of 3P reserves as at December 31, 2013).

The following tables describe the increase in the Company’s net reserves and associated net present values from December 31, 2013 to April 30, 2014.

Total Net Reserve Volumes:

	December 31, 2013			April 30, 2014		
	Oil and NGL (Mbbl)	Natural Gas (MMcf)	Mboe	Oil and NGL (Mbbl)	Natural Gas (MMcf)	Mboe
Proved						
Developed Producing	701.7	1,264.2	912.4	1,105.5	1,641.4	1,379.1
Developed Non-Producing	49.9	269.3	94.8	38.9	255.7	81.5
Undeveloped	2,431.9	6,030.2	3,436.9	2,426.0	5,935.2	3,415.2
Total Proved	3,183.5	7,563.7	4,444.1	3,570.4	7,832.3	4,875.8
Probable	10,615.2	25,518.0	14,868.2	10,290.4	25,228.6	14,495.2
Total Proved + Probable	13,798.7	33,081.7	19,312.3	13,860.8	33,060.9	19,371.0
Possible	12,772.5	36,506.6	18,857.0	12,784.0	36,531.4	18,872.5
Total Proved + Probable + Possible	26,571.2	69,588.3	38,169.3	26,644.8	69,592.2	38,243.5

Net Present Values of Future Net Revenue:

	December 31, 2013 (US\$000)	April 30, 2014 (US\$000)
Proved		
Developed Producing	30,742.9	48,449.2
Developed Non-Producing	2,011.5	1,657
Undeveloped	42,806.3	43,938.5
Total Proved	75,560.7	94,044.6
Probable	144,894.5	139,381.5

Total Proved + Probable	220,455.2	233,426.1
Possible	84,050.3	87,554.4
Total Proved + Probable + Possible	304,505.5	320,980.5
Notes:		
1.	Before income taxes, discounted at 10%.	
2.	Based on forecast pricing as at December 31, 2013.	
3.	The estimates of future net revenue disclosed herein do not represent fair market value.	

W. Michael Ford, Chief Executive Officer commented:

“We are pleased to provide these updated reserve figures. The increase in 1P reserves is a result of our successful development drilling program in the Bone Springs play. As we continue to drill development wells in the play, we anticipate our 1P reserves will continue to increase as we prove up probable and possible reserves from the 2P and 3P categories.”

About Caza

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

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

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.

Note on Reserves Data:

The reserves data set out herein have been extracted from the Reserves Report and are presented on a net basis. The evaluation of the reserves data included in the Reserves Report complies with standards set out in the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

Totals may not add because of rounding. Mbbl, MMcf and Mboe refer to thousand barrels, million cubic feet and thousand barrels of oil equivalent, respectively.

The term boe may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet per one barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

ADVISORY STATEMENT

Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Such information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “schedule”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “intend”, “could”, “might”, “should”,

“believe”, “develop”, “test”, “anticipation” and similar expressions. In particular, information regarding future drilling operations or reserves growth or reclassification contained in this news release constitutes forward-looking information within the meaning of securities laws.

Implicit in this information, are assumptions regarding the economics of the oil and gas industry, future budgets and costs, success and timing of drilling operations, rig availability, projected production, revenue and expenses and well performance. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operations, operating results and economic performance of the Company are subject to a number of risks and uncertainties, including general economic, market and business conditions and could differ materially from what is currently expected as set out above.

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 and the Company’s website at www.cazapetro.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 may be required by securities laws.