

Caza Oil & Gas Announces US\$4,000,000 Convertible Loan

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HOUSTON, TEXAS--(Marketwired - Feb 19, 2015) - Caza Oil & Gas, Inc. ("**Caza**" or the "**Company**") (TSX:CAZ)(AIM:CAZA) announces that it has obtained a US\$4,000,000 loan as an initial tranche of a US\$5,000,000 facility under a convertible unsecured note agreement dated February 18, 2015 (the "**Facility**") with YA Global Master SPV Ltd., an investment fund managed by Yorkville Advisors LLC and Global Market Neutral Strategies SICAV P.L.C. (collectively, the "**Investors**"). Additional tranches may be available with the consent of the Investors. The Company has immediately drawn down US\$1,000,000 of the initial tranche and expects to draw down the remaining US\$3,000,000 during the following thirty (30) days. Loan proceeds will be used to cover ongoing operational costs. The Company believes the Facility represents the most cost effective and accessible form of financing in the current oil price environment. Furthermore, the injection of the entire initial tranche into the Company will result in an agreement with its existing debt provider, Apollo Investment Corporation ("Apollo"), which will defer determination of finance and performance covenants under its US\$50,000,000 note purchase agreement from 31 March 2015 to 30 September 2015. This deferral will provide the Company with added flexibility in determining its allocation of capital resources during this period of low oil prices.

W. Michael Ford, Chief Executive Officer commented:

"We're pleased to announce this financing, which continues our good relationship with these Investors. The financing benefits Caza by providing additional capital and optionality at this time, particularly with the approval from Apollo to extend covenant determinations until the end of the third quarter. This provides the Company with the flexibility to manage capital expenditures and other costs during this period of low oil prices and to delay future developments and non-commitment wells where appropriate in order to preserve future profits that may be associated with a price recovery."

Description of the Loan Agreement

Outstanding principal of the Facility is convertible at the Investors' option into Common Shares of the Company. The conversion price, which will be determined at the date of each conversion, will be a price per Common Share equal to either (a) 92.5% of the volume weighted average of the volume weighted average prices ("**VWAP**") of the Common Shares during the 10 trading days on AIM prior to the conversion (such conversion being restricted to a maximum of US\$1,000,000 per month) or (b) at Investors' option, a fixed price of £0.12 (such conversion being subject to no maximum amount). The Facility bears interest on outstanding principal at 8% per annum, which interest is payable at the time of each conversion only in Common Shares based on a conversion price equal to 92.5% of the volume weighted average price of the VWAP of the Common Shares during the 10 trading days on AIM prior to the interest payment date. The Facility will mature in two years, which may be extended up to one year by the Investors, subject to further extension under certain conditions. At maturity, the outstanding principal balance of the Facility will convert into Common Shares at a conversion price equal to the closing price of the Common Shares on the preceding trading day.

Issuances of Common Shares under the Facility will be delayed in certain circumstances if the issuance would result in an investor beneficially owning or controlling more than 9.99% of the outstanding Common Shares.

The Facility may be prepaid in cash in whole or in part by Caza at any time without penalty if the closing price on AIM of the Common Shares is below £0.12. If the closing price is greater than £0.12, Caza may prepay all or part of the outstanding principal amount of the Facility in cash by paying 110% of the principal amount repaid.

The Facility agreement provides for customary events of default. Upon a declaration of an event of default,

the outstanding principal balance of the Facility and accrued interest will generally convert into Common Shares at a conversion price equal to 80% of the average closing price of the Common Shares on the five preceding trading days, although the Facility may become immediately due and payable in certain circumstances.

In connection with the Facility, the Investors will receive an aggregate implementation and reimbursement fee of US\$360,000, which will be paid at the time the US\$4,000,000 initial tranche has been completely drawn. The fee will be paid through the issuance of Common Shares on the same basis as shares issued upon conversions of principal and accrued interest.

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 (Southeast New Mexico and West Texas) and Texas and Louisiana Gulf Coast (on-shore).

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

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", "hope", "project", "predict", "potential", "intend", "could", "might", "should", "believe", "develop", "test", "anticipate", "enhance" and similar expressions. In particular, information regarding the price, issuance, conversion and admission to trading of Common Shares and the use of proceeds contained in this news release constitutes forward-looking information within the meaning of securities laws.

Such forward looking information is subject to certain risks, assumptions and uncertainties including the assumption that the price, issuance and admission to trading of Common Shares disclosed herein shall be completed in accordance with the Facility. For more exhaustive information on these risks, assumptions 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.

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