

HOUSTON, TEXAS--(Marketwired - Oct. 1, 2015) - Caza Oil & Gas, Inc. ("Caza" or the "Company") (TSX:CAZ)(AIM:CAZA) hereby provides an update regarding the status of its debt facilities with Apollo Investment Corporation ("Apollo"), an investment fund managed by Apollo Investment Management, as well as related financing discussions.

As previously disclosed, the Company entered into a Note Purchase Agreement (the "Note Agreement") dated May 23, 2013 with Apollo, pursuant to which Apollo agreed to purchase from the Company up to US\$50,000,000 of its senior secured notes. As reported in the announcement of its unaudited financial results for the three months ended June 30, 2015 (the "Q2-2015 Results"), the outstanding balance of the Apollo facility as at June 30, 2015 was US\$45,000,000, which is also the current outstanding balance as at September 30, 2015. Throughout the period of the Note Agreement, the Company has been required to comply with certain financial covenants, which are tested quarterly, and to maintain a limit on expenditures for general and administrative costs. As previously disclosed, most recently in the Q2-2015 Results, the Company was not fully in compliance with its financial covenants at June 30, 2015 and December 31, 2014 and, in February 2015, the Company and Apollo executed a Third Amendment to the Note Purchase Agreement pursuant to which Apollo provided a waiver of the relevant financial covenants until September 30, 2015.

On September 30, 2015, the Company and Apollo executed a Forbearance and Reservation of Rights Agreement (the "Forbearance Agreement"), pursuant to which Apollo agreed, subject to certain customary limitations and conditions, to forbear from exercising certain of its rights and remedies under the Note Agreement with respect to the Company's breach of certain financial and other covenants until October 31, 2015, subject to earlier termination as described below.

Consistent with the Company's previously-stated strategy and in view of the limited period of forbearance granted pursuant to the Forbearance Agreement, Caza's objective remains to conclude a financing or a complete refinancing structure that might enable the Company to retire the Apollo facility, together with sums owed pursuant to the Convertible Loan Agreement entered into between Caza and YA Global Master SPV Ltd. ("Yorkville"), an investment fund managed by Yorkville Advisors Global, LP, and also provide sufficient additional capital to continue developing its Bone Spring assets. Accordingly, the Company and its advisers have been actively considering all available debt and equity financing options, as well as asset sales.

In the Q2-2015 Results, Caza confirmed that it had recently narrowed its focus and was in advanced negotiations with a proposed financing partner to establish a funding structure. Those negotiations have continued to progress, and currently the Company is in advanced discussions with that counterparty regarding a potential equity financing of the Company (and in connection with such discussions, the Company has agreed to a short period of exclusivity with such counterparty) (the "Potential Transaction"). The proposed terms of the Potential Transaction are subject to, among other things, continued negotiation, a due diligence period, board approval, and the entry of the parties into definitive agreements. Given the number of conditions to the consummation of the Potential Transaction, there can be no certainty that the Potential Transaction will be concluded on acceptable terms. Furthermore, although the Company has had the continued support of Apollo during the course of these discussions, there can be no certainty that the Potential Transaction will close or that Apollo will continue to grant ongoing forbearance. The Forbearance Agreement provides that if Apollo determines in its sole discretion that the Company and its operating subsidiary are not diligently pursuing a transaction substantially similar to the Potential Transaction during the forbearance period, Apollo may, by three days' advance written notice, shorten the forbearance period so that it ends on the latter of October 15, 2015 or the third day after such notice is delivered.

If the Potential Transaction is consummated, it is likely to take the form of an equity investment in the Company which, given the current oil and gas commodity pricing environment, is likely to subject the Company's existing shareholders to significant dilution.

Further announcements will be made as appropriate.

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", "project", "predict", "potential", "intend", "could", "might", "should", "believe", "develop", "test", "anticipation" and similar expressions. In particular, information regarding the terms, availability and completion of the Potential Transaction or other potential transaction, Apollo's willingness to support the Potential Transaction and to grant ongoing forbearance, and shareholder dilution contained in this news release constitutes forward-looking information within the meaning of securities laws.

Implicit in this information are assumptions regarding the ability to complete and likely terms of the Potential Transaction and regarding Apollo's willingness to support the Potential Transaction and to grant ongoing forbearance. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual results of the Company are subject to a number of material factors which could cause actual results to differ materially, including the risk that Caza will be unable to complete the Potential Transaction or an alternative transaction, risks associated with Apollo's willingness to support the Potential Transaction and to grant ongoing forbearance, and risks and uncertainties associated with commodity prices and general economic, market and business conditions.

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.

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