



CALIFORNIA OIL & GAS CORP.
#312, 407 - 2 Street SW, Calgary, Alberta, T2P2Y3 CANADA
info@caloilandgascorp.com

July 13, 2006

California Oil & Gas Corp. Corporate Update

Contact: *John G.F. McLeod, President*
Ryan Mulhearn, Investor Relations
North America Toll Free:

Tel: (403) 261-1965

Tel: (604) 733-2886

1-866-733-2814

Email: caloandg@telus.net

OTCBB: "COGC"

www.caloilandgas.com

California Oil & Gas Corp. (OTCBB: COGC), is pleased to provide this update on current projects.

California

The Company, together with other participants, has identified five areas within an Area of Mutual Interest (AMI) in the San Joaquin Basin that are prospective for shallow oil exploration at depths between 1000 and 3000 feet. Although some clean-up leasing continues, over 11,000 acres have been acquired at very attractive lease rates in three of the five areas, which the Company believes is sufficient to launch comprehensive exploration programs. Leases in the remaining two prospect areas were unavailable, too expensive and/or not sufficiently contiguous to warrant continued exploration.

Three 3D seismic surveys covering a total of 25 square miles have been designed for the three active prospect areas. Seismic acquisition companies in the area have been contacted and first bids are anticipated within two weeks. The Company anticipates that seismic acquisition will begin as soon as equipment is available, with drilling to commence after the data are processed and interpreted.

To the north of the AMI, existing 2D seismic data have been purchased on the periphery of a large prospective area identified by wide-area exploration tools. These data are currently being reprocessed with what appear to be encouraging indications. The Company anticipates that a detailed exploration program will develop for this largely unexplored area, which has potential in the Chenac, Santa Margarita, Jewett, Pyramid Hills and Vedder formations.

The San Joaquin Basin is a prolific oil producing area with a long history of production. In the vicinity of the prospect areas, two prominent fields have produced 435 million and 20 million barrels of oil respectively from Pyramid Hills and Vedder Sands.

Louisiana:

A Geophysical Exploration Agreement has been executed by the Company for the EOLA Prospect area in southern Louisiana. Other parties to this agreement have yet to sign and this agreement will not be binding on the Company until all parties have signed. This is a consummation of the Letter of Intent announced June 20, 2006.

COGC will participate to 40% in a prospect on the crest of a large, intensively fractured and faulted anticline in a prolific Fractured Lower Chalk trend. Both the over pressured Chalk and the deeper Lower Tuscaloosa Massive Sand formation have tested hydrocarbons on the structure, and underline a Tertiary age field which has produced over 28 million barrels of oil.

Current plans are for the participants to acquire a "state of the art" 3 D seismic survey of up to 35 square miles over the structure, followed by the redrilling of a 1982 well which encountered significant gas volumes in the Lower Tuscaloosa Massive Sand zone at 16,300 feet. Gas and condensate were tested from a crestal fractured Lower Chalk well over 40 years ago, but never produced. Secondary targets include multiple shallower sands, productive on the structure, within which additional reserves may be identified by 3-D seismic in undrained fault traps.

Formal documentation is being prepared on the Krotz Springs project in St. Landry Parish whereby the Company intends to participate directly for a 15% working interest in the project. A cost estimate is being prepared for a well that the Company anticipates will be drilled at the earliest practical opportunity to 11,000 feet on the crest of a prolific, unexplored Cockfield Sand defined by geology and 3-D seismic.

Both Louisiana prospects are in areas that have produced large volumes of gas, oil and condensate from shallower horizons. As such, facilities and pipelines are already in place to quickly market any fluids produced.

The Company continues to evaluate other farm-in and acquisition opportunities, as well as late stage exploration and early stage development projects in California, Louisiana and internationally.

On behalf of the Board

A handwritten signature in cursive script, appearing to read "J. McLeod".

John G. F. McLeod, President.

Forward-Looking Statements

Statements in this news release that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "plans", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's belief that Nomad Hydrocarbons Ltd. can identify and negotiate leases for the balance of the oil and gas properties in the San Joaquin Basin in California that have not yet been leased, that the Company can launch comprehensive exploration programs in this area, that seismic acquisition in these areas will begin soon, that a detailed exploration program will develop for the area to the north of the AMI, that the Company can obtain state of the art 3D seismic survey at the EOLA prospect and that it can participate directly in the Krotz Springs project, and that modern completion techniques can provide successful results on the target zones in the Lower Tuscaloosa Massive Sand wells. Actual results may differ materially from those currently anticipated due to a number of factors beyond the reasonable control of the Company. Additional information on risks and other factors that may affect the business and financial results of the Company can be found in filings of the Company with the U.S. Securities and Exchange Commission.