

Contango Oil & Gas Company

*Building an E&P company is not a sprint.
It's not even a marathon- it's an ultra marathon.*

Ultra Marathon Man - Dean Karnazes

CONTANGO- A GOING CONCERN

<u>We have</u>	<u>Comment</u>
R/P of zero	“Most of our future is still in front of us” \$38 million of cash
PV10 <\$10 million	EBITDAX of \$118.2 million over last 5 years
Max reinvestment risk with long lead times	Deep Shelf/ Fayetteville Shale/ LNG
Shareholder friendly	Fully/Fully diluted share count flat since inception
No Coverage	Sorry, you gotta read the Q’s and K

“For us, a marathon is just a warm-up. We run 50-mile races, 100-mile races. We’ll run twenty four hours and more without sleep, barely pausing for food and water, or even to use the bathroom.”

SIX YEAR REPORT CARD

Capital Raised: \$30 Million Market Cap: \$170 Million

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
MVA (in millions) (1)	(\$7.5)	\$7.9	\$35.8	\$41.6
Stock Price/share @ period end	\$3.33	\$4.09	\$6.65	\$9.20
Market Cap (in millions)	\$30.1	\$38.0	\$81.9	\$123.5
Fully/Fully Diluted Shares				
(in millions)	14.2	14.4	15.6	16.7
(1) Stock Price x Shares Outstanding- Equity Issued + Equity Repurchased				

“I’d been told that one of the tricks to finishing the Western States- though I questioned whether there was any such thing as a “trick” to running 100 miles- was not to start out too hard.”

FY 2005 PRELIM EXPLORATION RESULTS

	<u>Results</u>	<u>Costs</u>
<u>Onshore</u>	5/12	\$5.6 Million
<u>Offshore</u>	2/4	\$0.7 Million
Total	7/16	\$6.3 Million

“Where do we go from here?” I inquired. He scanned the horizon to the west.

“See that peak over there?” He pointed to a very distant mountain, maybe 20 miles away.

“Yes, I see it.” “Okay. Once we get there, the finish is seventy-five miles beyond that point.”

THE CONTANGO MODEL

- Outsource prospect generation
- 6 employees
- Successful efforts accounting/ Expense options
- No hedges
- Large management ownership
- A, B, C, and D Perpetual pikable preferred's - \$25.5 million

*“He whipped off the red cap and inserted the tip of the tube into my blister.
Then he produced a roll of duct tape. I was stunned.
He was actually sealing my blisters with Crazy Glue and duct tape!”*

OUR ASSETS

- GOM deep shelf exploration- Big bet wildcats
- Fayetteville Shale- Big bet early resource play
- LNG- Big Impact/ Declining risk
- Cash- \$38 million
- Proved Reserves +/- \$10 million
- Onshore exploration program
- Alternative Energy Venture Capital

“People who’ve let their own dreams die become pessimists and cynics. They feel that the time and devotion spent on chasing their dreams were wasted. The emotional scars last forever. “It can’t be done,” They’ll say, when you describe your dream, “You’ll never make it.”

GOM DEEP SHELF

- 41 Blocks
- 4100 Blocks 3-D Seismic
- 4 Wells to spud next 6 months
 - Grand Isle 63, 72, 73 – COI Operated!
 - Dutch – COI Operated!
 - Main Pass 221 – Chevron et al
 - West Cameron 133 – Spinnaker

*“Twenty-four of us were about to embark on what is called
The World’s Toughest Footrace- A 135-mile trek across Death Valley to Mount Whitney,
the highest peak in the contiguous United States.*

*While the Western States 100-Mile Endurance Run had been grueling,
Badwater is widely considered the ultimate test of endurance and human resolve.”*

FAYETTEVILLE SHALE

- 26,000 acres headed for 30,000 + (45 square miles)
- 50 wells already drilled in play by SWN
- Horizontals per SWN
 - 9 horizontal wells per square mile
 - \$1.5 million/ well
 - 1.5 Bcfe/ well
- Play still very early in exploratory stage but has potential for MCF
- MCF NRI +/- 45%

“Badwater is the lowest point in the Western Hemisphere, smack in the middle of Death Valley, at the southeastern end of California, 282 feet below sea level. Summertime temperatures can exceed 130 degrees Fahrenheit, and the asphalt can get better than 200 degrees. Not your ideal place for a jog.”

LNG

- Funding in place
- No additional equity likely needed: \$1.5 million at risk
- Expansion to 2.2 Bcfd likely with 4.0 Bcfd total capacity applied for at FERC
- Start-up 2008

“During the long drive home with my family, there was ample time to reflect on the lessons from Badwater, and I eased up on myself. Yes, I had failed- but it had actually been a spectacular failure, gloriously disintegrating every aspect of my body and soul until I literally fell over in the dirt.”

ALTERNATIVE ENERGY

- \$2.1 million net investment
- Focus on fuel cells
- 5 Portfolio Companies
 - Jadoo
 - Trulite
 - Synexus
 - Protonex
 - Mobilize

“We had landed at 11,000 feet above sea level, but the effective elevation was closer to 13,000. The air is bone-dry, making Antarctica something like a huge desert- a frozen Sahara, where the temperature was minus 35 degrees Fahrenheit when we arrived.”

THE CONTANGO PACKAGE

- \$38 million of cash
- Three \$5 million exploration plays
- 16.7 million shares fully/fully diluted
14.7 million outstanding shares
- Average daily volume 6 months June 30, 2005 -
78,000 vs 39,000 same period 2004
- 6 employees/ 3 outside directors

“My only recourse was to try harder, to push even farther. So after running 200 continuous miles to complete The Relay, I turned around and ran an additional marathon, making the entire journey 226.2 miles”

FORWARD LOOKING INFORMATION

The following presentation contains “forward-looking statements” and is made pursuant to the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995. Oil and gas activities are subject to risks and uncertainties inherent in the exploration, development, operation and marketing of oil and natural gas. These risks include, but are not limited to, volatility of products, prices, uncertainties in reserve estimates, drilling risks, operations and production risks and environmental issues. Results could vary materially from the forward-looking information. You are cautioned that such forward-looking statements should be read in conjunction with the available company information, including the most recent Form 10-K/SB, and Form 10-Q.

“Running has taught me that the pursuit of a passion matters more than the passion itself. Immerse yourself in something deeply and with heartfelt intensity- continually improve, never give up- this is fulfillment, this is success.”