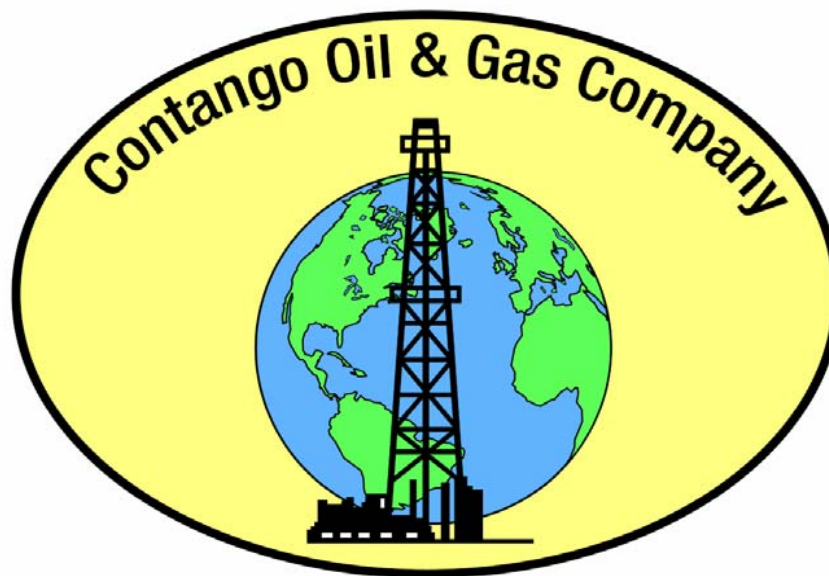


Contango Oil & Gas Company





THE EVOLUTION OF CONTANGO

- Started Fall 1999
- Since inception \$30 million net capital raised
- At January 05: \$19 million cash/ No Debt/
\$175 million E.V.
- 3 Big Ideas: LNG/ Fayetteville Shale/ Deep
Shelf GOM



WHAT HASN'T EVOLVED IS OUR STRATEGY

Our strategy is predicated upon two core beliefs:

- (1) that the only competitive advantage in the commodity-based natural gas and oil business is to be among the lowest cost producers and
- (2) that virtually all the exploration and production industry's value creation occurs through the drilling of successful exploratory wells.



CONTANGO NOT JUST A COLLECTION OF PV10'S- THINK GOING CONCERN

We have

PV10 < \$10million

0 < R/P < ∞

MAX reinvestment **RISK**
with long lead times

Shareholder friendly

No Coverage

Comment

“Most of our future is still in front of us”

EBITDAX of \$120 million over last 5 years

Deep Shelf/ Fayetteville Shale/ LNG

Fully/Fully diluted share count flat since inception

Sorry, you gotta read the Q's and K

HAS OUR STRATEGY WORKED? OUR FIVE YEAR REPORT CARD

Capital Raised: \$30 Million Market Cap: \$176

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>January</u>
MVA (in millions) (1)	(\$7.5)	\$8	\$36	\$42	\$43
Stock Price/share @ period end	\$3.33	\$4.09	\$6.65	\$9.20	\$12.00
Market Cap (in millions)	\$30	\$38	\$82	\$123	\$176
Fully/Fully Diluted Shares (in millions)	14.2	14.4	15.6	16.7	16.7

(1) Stock Price x Shares Outstanding- Equity Issued + Equity Repurchased



THE CONTANGO MODEL

- Outsource prospect generation
- 6 employees
- Successful efforts accounting/ Expense options
- No hedges
- Large management ownership
- A, B, C, and D Perpetual plicable preferred's -
\$25.5 million- \$4.5 million of common stock



OUR ASSETS

- GOM deep shelf exploration- Big bet wildcats
- Fayetteville Shale- Big bet early resource play
- LNG- Big Impact/ Declining risk
- Cash- \$19 million
- Proved Reserves +/- \$10 million
- Onshore exploration program
- Alternative Energy Venture Capital



GOM DEEP SHELF

- 51 Blocks
- 4400 Blocks 3-D Seismic
- 4 Wells to drill next 6 months
 - Grand Isle 72– Drilling, COI Operated
 - EI-10 – COI Operated- Mid Feb Spud
 - Main Pass 221 –
Chevron’s “BRISTOL” Prospect- Drilling
 - West Delta 43- COI Operated- Spring/ Summer
 - Operations/Farm-In’s/Next Level???



FAYETTEVILLE SHALE

- 40,000 net mineral acres
- 90 wells already drilled in play by SWN
- Horizontals
 - 9 horizontal wells per square mile
 - 550 potential locations
 - \$2.0 million/ well
 - 1.5 Bcfe/ well
- Play still very early in exploratory stage but has significant potential for MCF
- MCF W.I. 70-56%, NRI +/- 45%
- What is optimizing strategy???



LNG

- Funding in place for Phase I and “mini” Phase II
- No additional equity likely needed:
\$3.1 million at risk
- Expansion to 2.6 Bcfd likely with 4.0 Bcfd
total capacity applied for at FERC
- Start-up 2008 – First grassroots plant in 30 years
- Plant cost- \$800 million



ALTERNATIVE ENERGY

- \$2.4 million net investment
- Focus on fuel cells
- 5 Portfolio Companies
 - Jadoo
 - Trulite
 - Synexus
 - Protonex
 - Mobilize
- How/When get liquidity???



THE CONTANGO PACKAGE

- \$19 million of cash
- Three \$5 million plus exploration plays
- 16.7 million shares fully/fully diluted
14.7 million outstanding shares
- 6 employees/ 4 outside directors
- Incentives aligned- management/Board of Directors own 20+%



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 and Form 10-Q.