MCF IS NATURAL GAS
www.contango.com

Contango
Oil & Gas Company

Forward Looking Information

This presentation contains forward-looking statements regarding Contango that are intended to be covered by the safe harbor "forward-looking statements" provided by of the Private Securities Litigation Reform Act of 1995, based on Contango's current expectations and includes statements regarding acquisitions and divestitures, estimates of future production, future results of operations, quality and nature of the asset base, the assumptions upon which estimates are based and other expectations, beliefs, plans, objectives, assumptions, strategies or statements about future events or performance (often, but not always, using words such as "expects", "projects", "anticipates", "plans", "estimates", "potential", "possible", "probable", or "intends", or stating that certain actions, events or results "may", "will", "should", or "could" be taken, occur or be achieved). Statements concerning oil and gas reserves also may be deemed to be forward looking statements in that they reflect estimates based on certain assumptions that the resources involved can be economically exploited. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those, reflected in the statements. These risks include, but are not limited to: the risks of the oil and gas industry (for example, operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to future production, costs and expenses;

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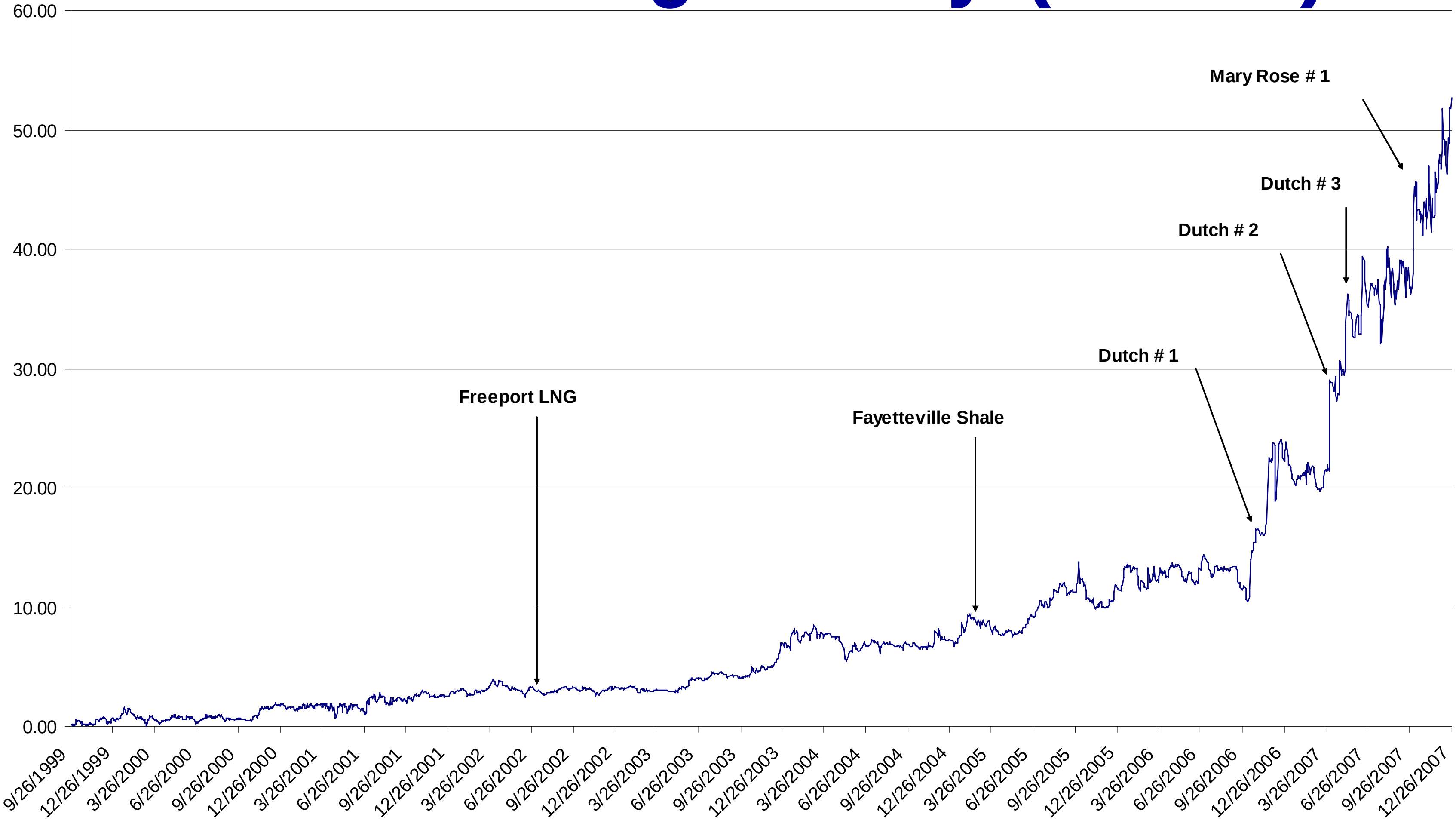
potential delays or changes in plans with respect to exploration or development projects or capital expenditures; health, safety and environmental risks and risks related to weather such as hurricanes and other natural disasters); uncertainties as to the availability and cost of financing; fluctuations in oil and gas prices; risks associated with derivative positions; inability to realize expected value from acquisitions, inability of our management team to execute its plans to meet its goals, shortages of drilling equipment, oil field personnel and services, unavailability of gathering systems, pipelines and processing facilities and the possibility that government policies may change or governmental approvals may be delayed or withheld. Additional information on these and other factors which could affect Contango's operations or financial results are included in Contango's other reports on file with the Securities and Exchange Commission. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from the projections in the forward-looking statements. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Contango does not assume any obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

Probable Reserves

The Securities and Exchange Commission permits oil and gas companies to disclose in their filings with the SEC only "proved" reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Contango uses in this presentation the term "probable" reserves, which SEC guidelines prohibit from being included in filings with the SEC. Probable reserves are unproved reserves which are more likely than not to be recoverable. Estimates of probable reserves which may potentially be recoverable through additional drilling or recovery techniques are by their nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company.

The Contango Story (so far)



"The reason free markets work is because they allow people to be lucky, thanks to aggressive trial and error. The strategy is, then, to tinker as much as possible and try to collect as many Black Swan opportunities as you can."

Nassim Nicholas Taleb

Contango's Core Belief

- The only competitive advantage in the natural gas and oil business is to be among the lowest cost producers
- Virtually all the exploration and production industry's value creation occurs through the drilling of successful exploratory wells

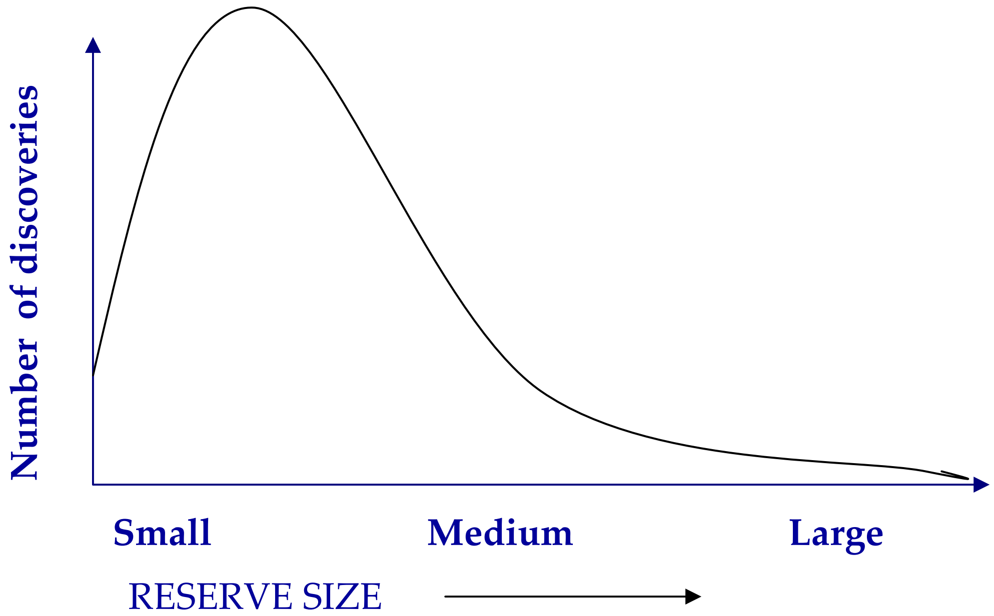
The Contango Journey

- Started Fall 1999 – A $20,000 investment to buy 100,000 shares would today be worth $5.0 million
- Since inception $60 million net capital raised vs $800 million market cap
- Six employees
- 16 million shares outstanding/17.8 million shares fully diluted - compared to 11.5 and 16.7 million shares at June 30, 2001.
- 30 shareholders own 75% of stock

Industry Snapshot

- Annual Natural Gas Depletion – 33% and increasing
- Record number of wells drilled – very expensive at the margin
- No nukes/increasing constraints on coal – (viz TXU)
- National Nimbyitis – less LNG / less Drilling / less supply
- Ethanol – Growing natural gas consumer – 1% of consumption?
- Canada - $4.50 Mcfe F&D costs more than 2X in 5 years
- An ever growing world economy
- New Mexico – Canary in the Rockies
- Wither weather? Hurricanes? Cold winter? Al Gore?
- Natural gas E&P is like farming – without the subsidies

Dutch & Mary Rose and Fayetteville Shale– Two Fat Tail Stories



- The reference to fat tails is usually associated with a Gaussian or Bell curve
- Natural gas and oil reserves however, are distributed log normally like Sunday church contributions
- Many small – a few large

We've Been Busy

- Retained Merrill Lynch as Financial Advisors
- Sold Western Fayetteville Shale for $200 million
- Purchased 6.67% net revenue interest for $200 million in Dutch (8.33% W.I.) and Mary Rose (9.11% W.I.)
- Signed PSA for sale of Eastern Fayetteville Shale for $128 million to close Jan 2008
- Drilling second Mary Rose well
- Expect to Spud third Mary Rose well – March 2008
- Net revenue interest in Dutch & Mary Rose after $200 million purchase to approximately 35%

Dutch and Mary Rose

- Dutch wells capable of flowing at 110 mcfed (38 mcfed net to Contango)
- Platform and Pipeline construction for Mary Rose underway – first production expected by mid-summer
- Anticipated Mary Rose production rate of 250 Mmcfed (88 Mmcfed net to Contango) by mid-summer
- Spud fourth Mary Rose well by April

Recap

- Have sold/signed PSA for approximately $328 million in Fayetteville Shale asset sales
- Assuming successful like kind exchange approximately $328 million in net proceeds
- Continuing to study strategic options
- $35 million of debt, $15 million of unused capacity
- Monthly cash flow of approximately $8 million (pre hook-up of Mary Rose Wells)
- Anticipated monthly cash flow of $29 million (after Mary Rose #1,2,3,4 hook-ups)
- Planning on drilling 2-5 GOM wildcats in 2008
- LNG cash flow begins Summer 2008

America's Energy Company

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