

# CONTANGO OIL & GAS COMPANY

## NEWS RELEASE

### Contango Announces Successful Test at its Dutch Prospect

NOVEMBER 21, 2006 – HOUSTON, TEXAS – Contango Oil & Gas Company (AMEX:MCF) announced today that its production test at Eugene Island 10 (“Dutch”) has been successfully completed. The well tested at a rate of approximately 14.0 million cubic feet equivalent per day (“MMcfe/d”). The net revenue interest before payout to Contango is approximately 33%.

Marc Duncan, President and Chief Operating Officer of Contango Operators Inc., said, “The rig is off location and we are currently laying a pipeline and completing production facilities. Production is estimated to commence by December 31, 2006.”

Kenneth R. Peak, Contango’s Chairman and Chief Executive Officer, said, “We are still on schedule to bring on our Grand Isle 72 discovery by mid December at an estimated 8/8ths rate of 8 MMcfe/d and anticipate our Dutch well will flow at 30 MMcfe/d, for a combined 14 MMcfe/d, net to Contango, as a whole. We expect to spud our second Dutch exploratory well prior to year end.”

Contango is a Houston-based, independent natural gas and oil company. The Company’s core business is to explore, develop, produce and acquire natural gas and oil properties primarily offshore in the Gulf of Mexico and onshore in the Arkansas Fayetteville Shale. The Company also owns a 10% interest in a limited partnership formed to develop an LNG receiving terminal in Freeport, Texas, and holds investments in companies focused on commercializing environmentally preferred energy technologies. Additional information can be found on our web page at [www.contango.com](http://www.contango.com).

This press release contains forward-looking statements that involve risks and uncertainties, and actual events or results may differ materially from Contango’s expectations. The statements reflect Contango’s current views with respect to future events that involve risks and uncertainties, including those related to successful negotiations with other parties, oil and gas exploration risks, price volatility, production levels, closing of transactions, capital availability, operational and other risks, uncertainties and factors described from time to time in Contango’s publicly available reports filed with the Securities and Exchange Commission.

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