

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Announces Production Test Results at its Mary Rose #3 Discovery and Updates Operations

MARCH 12, 2008 – HOUSTON, TEXAS – Contango Oil & Gas Company (AMEX:MCF) announced today that its Mary Rose #3 well in Louisiana state waters at State Lease No. 19266 has been successfully completed and production tested at a rate of approximately 38 million cubic feet equivalent per day (“Mmcfe/d”). The Company’s net revenue interest in Mary Rose #3 is approximately 35%, inclusive of its investment in Republic Exploration LLC (“REX”).

The Mary Rose #3 and Mary Rose #1 wells are both expected to begin producing this spring to a platform currently being set at Eugene Island 11. The pipeline from this platform to an offshore processing and onshore transit pipeline has been laid. The platform and pipeline have been designed with a capacity of 300 million cubic feet per day (“Mmcf/d”) and 6,000 barrels of oil per day (“Bbls/d”). We have just spudded the Mary Rose #2 well and expect to spud the Mary Rose #4 well before the end of April 2008.

The Company’s three Dutch wells are currently producing at a combined 8/8ths rate of approximately 80.0 million cubic feet equivalent per day (“Mmcfe/d”) (approximately 27.0 Mmcfe/d net to Contango). Our production has been constrained for much of February and to date in March due to onshore processing facility expansion construction.

The Company’s recent wildcat well at High Island A198 was determined to be a dry hole, at a cost of approximately \$4.0 million. The well has been plugged and abandoned.

Kenneth R. Peak, the Company’s Chairman and Chief Executive Officer, said, “We continue to make progress in bringing our Dutch and Mary Rose discoveries to their anticipated gross flow rate of 350 – 400 Mmcfe/d, or approximately 130 – 150 Mmcfe/d net to Contango, sometime this summer. We also expect to be successful in closing a \$100 million like-kind exchange acquisition of additional Dutch and Mary Rose working interests.”

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. The Company also holds investments in companies focused on commercializing environmentally preferred energy technologies. Additional information can be found on our web page at www.contango.com.

This press release contains forward-looking statements regarding Contango that are intended to be covered by the safe harbor "forward-looking statements" provided by 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; 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.

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