

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Shuts-In Production due to Tropical Storm Edouard

AUGUST 4, 2008 – HOUSTON, TEXAS – Contango Oil & Gas Company (AMEX:MCF) announced today that it is in the process of shutting-in production and evacuating all personnel at its Dutch and Mary Rose fields, due to Tropical Storm Edouard. Prior to shutting in, the Company's three Dutch wells were producing at a combined 8/8ths rate of approximately 97 million cubic feet per day ("Mmcf/d") (37 Mmcf/d net to Contango) and approximately 2,000 barrels of oil per day ("bopd") (762 bopd net to Contango), and our four Mary Rose wells were producing at a combined 8/8ths rate of approximately 166 Mmcf/d (61 Mmcf/d net to Contango) and approximately 4,100 bopd (1,510 bopd net to Contango), for a total of approximately 263 Mmcf/d (98 Mmcf/d net to Contango) and approximately 6,100 bopd (2,272 bopd net to Contango). Additionally, the Company has suspended its drilling operations at its Eloise North #1 exploration prospect.

Currently, the Company has approximately \$25 million in cash, and we expect to receive approximately \$30 million for our July production. The Company has \$15 million of long-term debt.

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. 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.

Contango Oil & Gas Company
3700 Buffalo Speedway, Suite 960
Houston, Texas 77098
www.contango.com

For information, contact:
Kenneth R. Peak
(713) 960-1901