

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Updates Operations

Stock Repurchase Program

APRIL 13, 2009 – HOUSTON, TEXAS – Contango Oil & Gas Company (NYSE Amex: MCF) announced today that since the last update of our share repurchase program on March 3, 2009, the Company has purchased an additional 300,500 shares of common stock for approximately \$10.6 million at an average cost of \$35.24 per share. We have now purchased 1,224,354 shares at an average cost per share of \$42.30, for a total expenditure of approximately \$51.8 million. Our outstanding shares now stand at approximately 15.8 million and our fully diluted share count has been reduced by nearly 7.0% from approximately 17.7 million shares in September 2008 to 16.5 million shares today.

Central Gulf of Mexico Lease Sale No. 208

Contango's affiliated company, Republic Exploration LLC ("REX"), was the apparent high bidder on two lease blocks at the Central Gulf of Mexico Lease Sale No. 208 held on March 18, 2009. REX bid \$257,777 on East Cameron 210 and \$157,777 on South Timbalier 97.

An apparent high bid ("AHB") gives the bidding party priority in award of offered tracts, notwithstanding the fact that the Minerals Management Service ("MMS") may reject all bids for a given tract. The MMS review process can take up to 90 days on some bids. Upon completion of that process, final results for all AHB's will be known.

Operations Update

Our current net production is approximately 82 million cubic feet equivalent per day with our Mary Rose #2 well shut-in for a workover. We are currently drilling our Eugene Island 56 #1, High Country West, exploration prospect. Our third party independent reserve report was recently updated as at March 31, 2009 and the Company has proved developed reserves of 356.3 Bcfe. We remain debt-free and have approximately \$27.0 million of cash on hand, and \$50.0 million of unused borrowing capacity.

Kenneth R. Peak, Contango's Chairman and Chief Executive Officer said, "Since the founding of Contango in September of 1999, we have raised a total of \$60.5 million in various equity offerings. Over this same time, we have expended approximately \$64.7 million to purchase our stock through private and market transactions. The "net capital" thus invested in the Company is a negative \$4.2 million. In the same time frame, our retained earnings have gone from a negative \$2.0 million in September 1999 to \$324.9 million at December 31, 2008."

Mr. Peak continued, "The difference between the number of our shares outstanding of 15.8 million and our fully diluted shares of 16.5 million is comprised of 685,167 options that have an average exercise price of \$16.49 per share. Assuming these options were to be exercised "cashless" - the likely eventuality - our fully diluted share count would be further reduced to approximately 16.3 million shares. The number of Mcfe's "owned" per share as at March 31, 2009 now stand at 22 Mcfe per fully diluted share, compared to 21 Mcfe per fully diluted share as at June 30, 2008. Thus, even though we have not yet drilled any new discoveries during this fiscal year, if you were a shareholder on July 1, 2008, the

beginning of our fiscal year, you now own 7% more of the Company, have more Mcfe's per share, and no debt senior to your ownership. We'll mark that as a "W" for the first 9 months of this fiscal year."

IPAA Presentation

Mr. Peak will make a corporate presentation at the IPAA Oil and Gas Investment Symposium in New York on Tuesday, April 21, 2009 at 1:35 PM Eastern Time (12:35 PM Central Time). The live webcast can be accessed at <http://www.investorcalendar.com/CEPage.asp?ID=143782>. The replay can be accessed at <http://www.investorcalendar.com/CEPage.asp?ID=143782> or www.contango.com (available shortly after presentation).

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.

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