

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Updates Operations; Chairman and CEO enters into 10b5-1 Trading Plan

JUNE 5, 2009 – HOUSTON, TEXAS – Contango Oil & Gas Company (NYSE Amex: MCF) announces that the workover on its Mary Rose #2 well has been successfully completed and the Company is currently producing approximately 95.0 million cubic feet equivalent per day, net to Contango. We remain debt-free and have approximately \$23.0 million of cash on hand, and \$50.0 million of unused borrowing capacity.

The Company also announces that its founder, Chairman and Chief Executive Officer, Mr. Kenneth R. Peak, has entered into a trading plan under SEC Rule 10b5-1 for the sale of 200,000 shares over a period of the twelve months beginning June 2009, based upon instructions in the trading plan. The sales will occur in accordance with the volume and manner of sales restrictions of SEC Rule 144. The proposed sales represent approximately 6% of the total shares beneficially owned and controlled by Mr. Peak.

In connection with the transaction, Mr. Peak said, “These are the first Contango shares I have sold since I started the Company 10 years ago. The Company is in excellent financial condition and I believe we will continue to find opportunities to add value for our shareholders. Nonetheless, at age 64 it is important for me to diversify a small percentage of my Contango investment and implement an orderly estate plan for my children and charitable organizations. My proposed stock sales under the Rule 10b5-1 trading plan are designed to provide funds for my personal estate planning while continuing to keep the vast majority of my personal net worth tied to Contango. After completion of the stock sales, I will continue to beneficially own or control 3,112,540 shares, or approximately 19% of Contango’s fully diluted shares.”

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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