

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Shuts-In EI-11H Platform Production Due to Ruptured Pipeline

February 25, 2010 – HOUSTON, TEXAS – Contango Oil & Gas Company (NYSE Amex: MCF) announces that on February 24, 2010, at approximately 7:30AM, a dredge contracted by the Army Corps of Engineers to dredge the Atchafalaya River Channel ruptured our 20” pipeline that runs from our EI-11 gathering platform to the EI-63 platform where our pipeline joins a pipeline that transports our production to shore. We immediately implemented our spill response plan. United States Coast Guard investigators, inspectors and pollution response personnel boarded the dredge this morning immediately after the incident. We have been advised that the private company that was performing the dredging had three individuals with minor injuries that have been treated. We have notified all applicable state and federal agencies and our insurance carrier.

The ruptured pipeline transports production from our four Mary Rose wells, our Dutch #4 well, and our Eloise North well and all six wells were immediately shut-in upon pipeline rupture. At the time of the incident, the pipeline was flowing approximately 125 million cubic feet equivalent per day (“Mmcfed”), or 45 Mmcfed net to Contango. We have provided notice of Force Majeure to all applicable parties. Our production from our Dutch #1, #2, #3 wells goes to the EI-24 platform and is unaffected and is currently flowing at approximately 27 Mmcfed, net to Contango.

Kenneth R. Peak, Contango’s Chairman and Chief Executive Officer, said “We are fortunate that we have received no reports of serious injury and any environmental impact at this time appears to be minimal. We have worked closely with the Army Corps of Engineers, the United States Coast Guard, and the Minerals Management Service and are gratified by the assistance we have received. A fly-over by our crew spotted a light sheen that they estimated at less than a barrel. Repair vessels and a diving crew are en-route to the location to assess the extent of the damage to our pipeline. We expect to have divers on scene today (February 25th) to give us a visual examination and our first estimate of the extent of the damage to our pipeline. We will issue a follow-up press release with more details when we have an estimate of the cost and time to repair the pipeline.”

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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