

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Apparent High Bidder at Central Gulf of Mexico Lease Sale No. 213 and Updates Operations

MARCH 19, 2010 – HOUSTON, TEXAS – Contango Oil & Gas Company (NYSE Amex: MCF) announces that the Company's wholly-owned subsidiary, Contango Operators, Inc., was the apparent high bidder on three lease blocks at the Central Gulf of Mexico Lease Sale No. 213 held on March 17, 2010. We bid \$3,017,777 on Ship Shoal 121, \$277,777 on Ship Shoal 122 and \$3,017,777 on Vermillion 170.

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 AHBs will be known.

Repairs are proceeding as planned on the Company's recently ruptured 20" pipeline that runs from our production platform at EI-11 to EI-63 and we are on target to complete the work by the end of March 2010. Our current net production is approximately 31 million cubic feet equivalent per day. We remain debt-free, have approximately \$78.0 million in net cash and cash equivalents and have \$50 million of unused borrowing capacity.

Additionally, the Company has taken a farm-in on block Vermillion 155 ("Paisano") and expects to spud this prospect prior to month's end. This prospect has an estimated dry hole cost of approximately \$12 million and the Company has a 100% working interest.

Finally, Kenneth R. Peak, the Company's Chairman and Chief Executive Officer, will make a corporate presentation at Howard Weil's 38th Annual Energy Conference in New Orleans on Wednesday, March 24, 2010 at 1:40 PM Central Time. A copy of the slides will be available on our website at www.contango.com immediately prior to the 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.

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

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