

CONTANGO OIL & GAS COMPANY

NEWS RELEASE

Contango Updates Operations

APRIL 27, 2010 – HOUSTON, TEXAS – Contango Oil & Gas Company (NYSE Amex: MCF) announced today that its Dude prospect (Matagorda Island 617) and Paisano prospect (Vermillion 155) are both dry holes. We are currently drilling ahead on our Eloise South prospect (Eugene Island 10) and completing our Nautilus well (Ship Shoal 263), which is expected to begin production by June 30, 2010 at a previously announced estimated rate of 20 million cubic feet equivalent per day (“Mmcfed”), net to Contango.

The Company’s on-shore drilling program with its joint venture partner, Patara Oil & Gas LLC, is currently producing at a rate of approximately 3.2 Mmcfed, net to Contango, from five wells. Three additional wells have been logged and are waiting to be fracture stimulated while another two wells are drilling ahead. To date we have invested approximately \$12.7 million in this drilling program. Based on results to date, and using our current received gas price of \$3.30 per thousand cubic feet equivalent, we are on target to earn our projected cash-on-cash pre-tax 15% rate of return.

Our current off-shore production is approximately 81 Mmcfed, net to Contango. We have no debt, approximately \$80.0 million in net cash and cash equivalents and \$50 million of unused borrowing capacity.

Mr. Peak, the Company’s Chairman and Chief Executive Officer, said “Disappointment seems like too much of an understatement for one dry hole, let alone two. Stepping back though, we are one for three in this year’s exploration program with a fourth well drilling (Eloise South) and one more wildcat exploration well – our on-shore south Texas prospect - planned prior to the end of this fiscal year, June 30, 2010.”

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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