

CALGARY, CANADA (TSX-V:CEX)
NEWS RELEASE

Contact Announces Montney Project in Deep Basin of Alberta

September 23, 2011, (Calgary, Alberta) Contact Exploration Inc. ("**Contact**" or the "**Company**") (TSX-V: CEX) is pleased to provide an update to its announcement of September 6, 2011 that it had entered into an oil and gas project in the prolific Deep Basin region of Alberta, thereby initiating a new core area for the Company. Contact has entered into this liquids-rich gas project after thoroughly evaluating the Montney Formation and is extremely encouraged by recent industry activity in the Deep Basin, which has demonstrated exceptional initial productivity from horizontal wells. In particular, two nearby wells that were recently completed in the Montney Formation each of which recently demonstrated initial production rates in excess of 2,000 BOE/day, including more than 1,000 bbls/d of condensate.

Under the terms of the agreement announced on September 6, 2011, Contact will pay a fixed percentage of the costs to drill, complete and equip a horizontal test well targeting the Montney Formation, to earn a 50% working interest after payout in seven sections of land. All tie-in costs are to be shared equally by Contact and the Farmor. Subsequently, Contact has successfully participated in recent land sales securing an additional 4 sections, such that Contact now owns or has the right to earn an interest in 7,040 gross acres (3,520 net) of highly prospective Montney land in the Deep Basin.

Contact intends to initially target the turbidite unit within the Lower-Middle Montney, however excellent prospectivity exists in other units within the Montney on Contact's lands. With success, each prospective interval within the Montney will be pursued. Contact estimates that each such interval could require up to 4 laterals per section to adequately recover the total potential resource.

The initial well has been surveyed and is expected to be spud before December 15, 2011.

Contact has entered into a revolving operating demand loan with Canadian Western Bank enabling the Company to access funds up to \$1.75MM and a non-revolving acquisition/development loan in the maximum principal amount of \$0.5MM. This credit facility is secured by Contact's oil and gas reserves and related assets. To date, Contact has drawn approximately \$1.2 million of the revolving credit facility.

Contact also announces that Mr. Steve Haysom has resigned as a director of Contact, due to the increasing demands of his other professional commitments. Management and the Board of Directors of Contact express their gratitude to Mr. Haysom for his efforts in helping transform Contact over the past year and a half and wish him well in his current and future endeavors.

About Contact Exploration Inc.

Contact Exploration Inc. is a public company which has been focused on Canadian East Coast onshore oil and gas exploration and development. Our philosophy is to operate exploration and development in our core areas of Stoney Creek, Hillsborough and Edgett's Landing, New Brunswick and to participate through overrides and carried interests in certain regional unconventional plays in Nova Scotia and Newfoundland. In addition to the Atlantic Canadian properties, Contact is pursuing a new core area in Alberta's "Deep Basin".

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ADVISORY ON FORWARD LOOKING STATEMENTS: *This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains statements concerning the timing and scope of additional exploration and development activities on the Company's properties in the Deep Basin of Alberta, the prospectivity of such lands and petroleum and natural gas reserves and production that may be encountered through the exploration of such properties and future results from operations, among others.*

Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Contact which have been used to develop such statements and information but which may prove to be incorrect. Although Contact believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Contact can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. In particular, in addition to other factors and assumptions which may be identified herein, no assurances can be given respecting: whether the Company's exploration and development activities respecting the Deep Basin properties will be successful or that material volumes of petroleum and natural gas reserves will be encountered, or if encountered can be produced on a commercial basis; that drilling operations in the Deep Basin will be successful such that further development activities in these areas are warranted; that Contact will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities will be consistent with past operations; the accuracy of the estimates of Contact's reserve volumes; the general stability of the economic and political environment in which Contact operates; drilling results; field production rates and decline rates; the general continuance of current industry conditions; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Contact to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental

matters in the jurisdictions in which Contact operates; and the ability of Contact to successfully market its oil and natural gas products.

Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including, without limitation: changes in commodity prices; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Contact or by third party operators of Contact's properties, increased debt levels or debt service requirements; inaccurate estimation of Contact's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Contact's public disclosure documents. Additional information regarding some of these risk factors may be found under "Risk Factors" in the Company's Management Discussion and Analysis prepared for the year ended March 31, 2011. The reader is cautioned not to place undue reliance on this forward-looking information. The forward looking statements contained in this press release are made as of the date hereof and Contact undertakes no obligations to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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