

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

Contact Provides New Brunswick Operations Update

September 19, 2011, (Calgary, Alberta) Contact Exploration Inc. ("**Contact**" or the "**Company**") (TSX-V: CEX) is pleased to report that it has spud its "Hopewell Prospect" well (94% working interest) in New Brunswick on September 18th. As previously announced (see Press Release dated September 6, 2011), the Hopewell Prospect is located in the Edgett's Landing area of New Brunswick, approximately 10 km south of the producing Stoney Creek oil and gas field. The Hopewell Prospect is defined by seismic and well control and is being drilled to help confirm the extent of this structure and reservoir quality. With success, it is anticipated that this exciting petroleum prospect would be developed with multiple horizontal wells using a similar completion strategy to the Company's existing Stoney Creek field.

The Company's oil production at Stoney Creek is being maintained at stabilized rates, characterized by a strong economic decline profile. The Company's two Stoney Creek wells have demonstrated minimal production declines since remedial work was completed in July, suggesting ultimate recovery from individual wells should meet or exceed the reserves attributed to these wells in the Company's independent reserves evaluation effective March 31, 2011 (the "Reserves Report"). Stoney Creek production continues above 100 bbls/d, with the stronger N88 well averaging 60bbl/d at 50% draw down. Oil revenues received by Contact from Stoney Creek are based on Brent crude oil pricing. With Brent pricing averaging more than US\$20 above WTI throughout much of 2011 and currently at US\$114/bbl, Contact's Stoney Creek wells demonstrate industry leading economics.

Although the final approval for Contact to drill additional wells in Stoney Creek has been delayed as a result of a new regulatory process, the Government of New Brunswick continues to work collaboratively with the Company to accelerate the approval process. Contact's full field development plan calls for the drilling of up to 14 new oil wells at Stoney Creek, most from drilling pads already built. Once regulatory approvals have been received from the Government of New Brunswick, Contact intends to aggressively pursue this development plan with up to four wells planned for calendar Q1/Q2 2012. The Company believes that the strong performance of its Stoney Creek wells confirms that, with full development, the approximately 2MMbbls of proved plus probable reserves attributed to the Stoney Creek field in the Reserve Report will be recoverable from the field using primary techniques. Contact expects secondary or tertiary strategies could then be utilized to further enhance ultimate reserve recoveries in Stoney Creek. A production update on Stoney Creek is currently available on the Company's website at www.contactexp.com.

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 Stoney Creek area; the drilling of the Hopewell well in New Brunswick as well as additional development wells in the Hopewell field; the regulatory approval process in New Brunswick; the use of secondary and tertiary recovery techniques in Stoney Creek; 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 Stoney Creek area and Hopewell well of New Brunswick 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 all required New Brunswick regulatory approvals will be secured in a timely fashion; that drilling operations in Stoney Creek and Hopewell 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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