

CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

1,000 Meters Intersected at Cumberland CBM Project

January 9, 2007, (Calgary, Alberta) Contact Exploration Inc. (TSX-V: CEX) is pleased to announce that a third horizontal well has been successfully drilled on its Cumberland property near Springhill, Nova Scotia. Of the three horizontal wells completed to date this latest is considered the most successful with a horizontal section of 1,000 meters in the targeted coal seam. All three horizontal wellbores have been drilled in separate coal seams with substantial open coal drilled in each of them. Surface water and gas-handling facilities have been constructed, and all three wells have been placed on-test as of mid December. It is anticipated that it will take a minimum of three months to evaluate the potential of each zone.

In addition to its 25% working interest in the Cumberland CBM play, Contact is aggressively developing the Stoney Creek field and surrounding area to deliver production from a region that is one of North America's first commercial energy regions. Contact is currently in the final stages of installing surface production facilities so that oil production can commence from the recently drilled and completed horizontal oil wells. Contact has a 100% working interest in this Stoney Creek play. In addition Contact is finalizing drilling locations based on the recently completed 2d seismic program, which has identified Stoney Creek look a like features.

About Cumberland CBM

Located west of the town of Springhill, N.S., and covering 178,000 gross acres, the Cumberland property lies approximately 15 miles from a tie-in to the Maritimes and Northeast Pipeline mainline where excess capacity has been confirmed through existing infrastructure.

Sroule & Associates Ltd. of Calgary, AB., an independent third party, have confirmed discovered coal bed methane resources in Contact's Cumberland property in Nova Scotia. Total discovered CBM resource in place totals 1,183 billion cubic feet. Contact's 25-per-cent working interest equates to approximately 296 billion cubic feet.

A copy of the Sroule & Associates report is available for review on the Contact website www.contactexp.com

About Contact

Contact Exploration Inc. is a junior exploration company with a focus on Canadian East Coast onshore exploration. Contact's land claims and holdings are located in close proximity to the largest consumption markets in North American with pipeline and refinery infrastructure in place.

Contact has interests in approximately 1.5 million acres onshore Nova Scotia including its 25% working interest in the developing Coal Bed Methane play at Cumberland, approximately 160,000 acres onshore West Newfoundland and 165,000 acres onshore New Brunswick which

includes the Stoney Creek Field.

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Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe that the expectations reflected in the forward-looking statements are reasonable based upon management's current views but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date hereof. We do not intend, and do not assume any obligation, to update conclusions, forecasts or projections that may be contained in these forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by these forward-looking statements will occur, or if they do, that any benefits may be derived from them. Past results have been applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors that may include, but are not limited to: the impact of government regulation, potential delays or changes in plans with respect to exploration and development projects, success of exploration and development activities, general industry and market conditions and other risks detailed from time to time in Contact's Annual Information Form and Management's Discussion and Analysis, both of which may be found at www.sedar.com