

CALGARY, CANADA,

(TSX-V:CEX)

NEWS RELEASE

PRIVATE PLACEMENT FINANCING

January 15, 2004, (Calgary, Alberta) Contact Exploration Inc.(TSX-V:CEX) announces that it intends to proceed with a \$500,000 Private Placement consisting of up to 1,250,000 Units to be priced at \$0.40 per Unit. Each Unit will comprise either one flow through common share ("Common Share") of the Company or one non-flow through Common Share and one half common share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder to purchase one Common Share at a price of \$0.60 per share, exercisable for a period of one year from the date of issue.

The price of the Units was determined by the Company. This non-brokered private placement is subject to regulatory approval including further filings with the TSX Venture Exchange within thirty days of the date of this release.

Contact intends to use the proceeds of the financing to fund further exploration of its Canadian East Coast onshore oil and gas properties. Contact may pay a commission of 6% to registered dealers who assist in the placement.

Contact is a junior exploration company with producing natural gas properties in Alberta and a focus on Canadian East Coast onshore exploration. Contact has interests in approximately 2 million acres onshore Nova Scotia. In addition, Contact has interests in approximately 160,000 acres onshore West Newfoundland and 25,000 acres onshore New Brunswick.

For further information please contact the President of Contact, **Mr. Terry Brown (403) 234-8663**.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.