



Suite 400, 750 – 11th Street SW
Calgary, Alberta
T2P 3N7
Telephone: (403) 234-8663
Fax: (403) 237-5816

CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

Contact Announces Shale Gas Play Farm Out

March 19, 2007, (Calgary, Alberta) Contact Exploration Inc. (TSX-V:CEX) announces that it has entered into a farm out agreement with a U.S. company to conduct exploration activities on Contact's 100% owned shale gas prospect in New Brunswick.

Over the last 12 months, a multidiscipline geosciences team from the U.S. Company has screened prospective basins in both Eastern and Western Canada. The screening process included an assessment of the geologic history for a given area, estimates of pressure and temperature profiles, and a determination of the ability to fracture stimulate a prospective shale package.

As a direct result of implementing this strategy, this US Company has executed a farm-in agreement with Contact to pursue Contact's New Brunswick shale gas property. The prospect covers approximately 68,000 acres and is believed to be located in a favorable geological setting based on technical work performed to date. Additional laboratory measurements will be taken on core samples and drill cuttings which are available from previously drilled conventional wells. By December 31, 2007, the Farmee must commit to acquire additional seismic, drill a well or terminate the agreement. An election to terminate will result in a break fee payable to Contact. In order to earn a 70% working interest in the block, the Farmee must drill a well and drilling must commence by December 31, 2008. This farm out excludes all conventional plays Contact is currently exploiting and does not include any interest in the Stony Creek oil field.

Unconventional gas resources account for nearly 10% of total U.S. natural gas production with shale gas production increasing by more than 60% between 1988 and 2002. Significant investment has flowed into shale gas plays which have resulted in an increase from as few as 100 wells in 1985 to over 12,000 wells today.

Contact also announces that it has entered into a letter of intent with the project operator to convert Contact's working interest to a royalty interest in the Cumberland CBM play. In order to prioritize available opportunities and allocate capital accordingly, Contact has decided to proceed with this conversion. Terms of the deal include a cash payout and assumption of debt totaling approximately \$750,000. In addition, the Company will receive a one percent non-convertible royalty which will be in addition to the 0.5% royalty already in place.

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, approximately 160,000 acres onshore West Newfoundland and 165,000 acres onshore New Brunswick which includes the Stoney Creek Field.

For further information please contact:

David Bajwa, Investor Relations
(604) 642-0214
dbajwa@contactexp.com

Terry Brown, President
(403) 234-8663
tbrown@contactexp.com

Website: www.contactexp.com

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