

CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

OPERATIONS UPDATE

May 9, 2006, (Calgary, Alberta) Contact Exploration Inc. (TSX-V:CEX) is pleased to provide an update on east coast drilling operations.

Stoney Creek, NB

Contact has made arrangements to bring in a new rig from Western Canada to complete operations on the first Stoney Creek horizontal well and to drill a second horizontal well at Stoney Creek. The rig is currently in transit and will be available to Contact in approximately 4 weeks. It is Contact's intention to recover downhole tools and the drill string and evaluate whether further drilling is required on this first horizontal well prior to any completion operations. Once this has been determined the rig will be mobilized to the second horizontal drilling location. All regulatory work is proceeding for the installation of production facilities and the drilling of the second horizontal well.

Contact is also having an independent assessment completed on the uphole zones penetrated to determine follow up drilling to exploit this new potential. Further updates will follow once we know more on commercial viability of these zones.

South Stoney Creek, NB

Contact is currently permitting a one hundred kilometer 2 dimensional seismic program in the vicinity of Stoney Creek. The intent of the program is to firm up several drilling locations for look a like Stoney Creek fields. This work will be done throughout the summer and fall of 2006 with drilling to follow.

The South Stoney Creek property consists of approximately 50,000 acres and was acquired by Contact through a combination of farmins and crown sales over the past 2 years.

Cumberland, NS

Contact has been informed by the operator, Stealth Ventures Ltd. that a completion rig is currently enroute from western Canada and will commence the completion of the first Cumberland CBM well within the next two (2) weeks.

This well intersected more than 20 metres of net coal in multiple seams up-hole, before intermediate casing was set in the No. 6 coal at a vertical depth of approximately 1,133 metres. A horizontal lateral of 430 metres was drilled and a slotted liner successfully inserted over 425 metres of exposed coal.

Sproule Associates Ltd. of Calgary, Alberta (Sproule) completed a study confirming discovered Coal Bed Methane (CBM) resources in the Cumberland Basins (Cumberland property) in Nova Scotia. Total discovered CBM resource in place totals 1.183tcf. Contact's 25% working interest equates to

approximately 296bcf. The report, in its entirety, has been posted to SEDAR (www.sedar.com) and also on Contact's website for review.

About Contact

Contact is a junior exploration company with a focus on Canadian East Coast onshore exploration. Contact has interests in approximately 2.3 million acres onshore Nova Scotia. In addition, Contact has interests in approximately 160,000 acres onshore West Newfoundland and 62,000 acres onshore New Brunswick.

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