

CALGARY, CANADA,

(TSX-V:CEX)

NEWS RELEASE

CLOSING OF PRIVATE PLACEMENT FINANCING

June 29, 2005, (Calgary, Alberta) Contact Exploration Inc.(TSX-V:CEX) is pleased to announce the closing of a Private Placement financing of \$500,000.

The Private Placement consisted of 2,000,000 Units comprised of one common share and one half purchase warrant. Each whole purchase warrant entitles the holder to purchase one common share at an exercise price of \$0.35 expiring June 28, 2006.

Net proceeds will be used to fund further exploration of Contact's Canadian East Coast onshore oil and gas properties.

Contact also wishes to announce that a director of the Company has been granted an option to purchase 200,000 common shares exercisable at \$0.34 per share. This is a five-year option granted pursuant to the Corporation's Stock Option Plan.

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 2.3 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.

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.