

CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

Completion of Drilling of Shenstone G75-2328 well in South Stoney Creek

Aug 17, 2007, (Calgary, Alberta) Contact Exploration Inc. (TSX-V: CEX) announces that drilling is now complete on the Shenstone G75-2328 well in New Brunswick. The well was drilled to the limit of the rig capacity at a total depth of 2180 metres and is being suspended while evaluation of the well and surrounding geology is ongoing.

The South Stoney Creek prospect lies directly south of Contact's Stoney Creek Field which has been assessed a net present value \$31,242,000 (discounted at 10% using constant pricing) based on a recently completed reserves report, prepared in adherence with National Instrument 51-101.

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 (approximately 5500 acres), a field with estimated proved and probable reserves of 1.2 million barrels of oil and 6.5 bcf of natural gas.

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

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