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CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

Operations Update- Stoney Creek

October 11, 2006, (Calgary, Alberta) Contact Exploration Inc. (TSX-V: CEX) is pleased to announce that the Stoney Creek and area exploration efforts are continuing to progress as per our plan. The A-89-2328 and I -88-2328 horizontal wells have been completed and heat strings installed. Heating equipment is being mobilized for installation to commence an approximate one-month heat cycle. At that point the wells will be placed on test production to evaluate well inflow. It should be noted that the drilling and completion of the first Stoney Creek well completes our earning obligation on the Stoney Creek field meaning we have fulfilled all of our requirements to obtain the 100% working interest in the entire 5,400 acre lease.

A re-entry program which involves reworking two wells within the Stoney Creek field and one well outside the field has commenced and will take approximately one month to complete and evaluate. Results will be announced after the three wells have been worked over, tested and fully evaluated.

The service rig required for the retesting of the 30 existing Stoney Creek wells has now become available and that program has just commenced and will take between 4-6 weeks to complete. Details of that program will be announced after the work has been completed and all wells fully evaluated.

The 100 km seismic program on Contact's South Stoney Creek land position has been completed and the data is currently being processed. It is our expectation that a drilling location for the Stoney Creek look a like feature with multiple target horizons will be selected by early November with regulatory permitting and drilling to follow.

About Contact

Contact Exploration Inc. is a junior exploration company with a focus on Canadian East Coast onshore exploration. Contact's land is located in close proximity to the largest consumption markets in North American with pipeline and refinery infrastructure in place.

Contact has interests in approximately 2.3 million acres onshore Nova Scotia including its 25% working interest in the developing Coal Bed Methane play at Cumberland, approximately 160,000 acres onshore West Newfoundland and 75,000 acres onshore New Brunswick which includes the Stoney Creek Field.

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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