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CALGARY, CANADA

(TSX-V:CEX)

NEWS RELEASE

Contact Exploration Inc. Closes Unit Financing

December 28, 2006, (Calgary, Alberta) Contact Exploration Inc. (TSX-V: CEX) closed on December 21, 2006, a non-brokered private placement, totaling \$690,000. The closing consisted of 690,000 Units at a price of \$1.00 per Unit. Each Unit consisted of one common share and one-half purchase warrant, each whole warrant entitles the holder to purchase one common share at an exercise price of \$1.40 per share expiring June 21, 2008.

In connection with the private placement, certain agents were paid a cash commission representing 7% of the aggregate subscription funds arranged through them for a total of \$46,550 along with broker options to purchase 46,550 common shares exercisable at \$1.00 per share for a two-year period.

All securities issued pursuant to these private placements, including the securities issued in payment of commissions, are and will be subject to a four-month hold period, commencing at closing.

The proceeds from these private placements will be used to finance continuing exploration and development activities at Contact's coal bed methane properties in Nova Scotia, and at its Stoney Creek property in New Brunswick, as well as for general corporate purposes. The flow-through funds raised from the issuance of the shares shall be used for exploration, which will constitute Canadian exploration expense (as defined in the *Income Tax Act*) and will be renounced for the 2006 taxation year to subscribers.

About Contact

Contact 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 including its 25% working interest in the developing Coal Bed Methane play at Cumberland, approximately 160,000 acres onshore West Newfoundland and 165,000 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