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NEWS RELEASE

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CDS OIL & GAS GROUP PLC

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

LONDON, England: 27 June 2008 - CDS Oil & Gas Group plc ("CDS" or the "Group"), the AIM-quoted oil and gas explorer (CDS.L), today announces final results for the year ended 31 December 2007.

The audited accounts will be posted to shareholders shortly, together with the notice of the Annual General Meeting.

Patrice Roman, CEO of CDS stated: "The financial strength of the Group was materially improved with the placing of new shares in June 2007 to raise £8.53m net of expenses. This enabled CDS to enter 2008 with sufficient cash resources to carry out a comprehensive early stage exploration programme. This new programme comprises the complementary application of a variety of geophysical techniques including aeromag, aerogravity and seismic as well as a geochemical survey to define drilling targets for late 2008/early 2009."

CDS is a UK company which, through its Paraguayan subsidiary, CDS Energy S.A., has a 98.1% working interest in three large blocks with substantial oil and gas exploration potential in the prospective eastward extension into north-west Paraguay of the productive Bolivian Chaco Basin.

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CDS Oil & Gas Group Plc

Chairman's and Chief Executive Officer's Review

We are pleased to report the results for the year ending 31 December 2007. In CDS Oil & Gas Group Plc's ("CDS" or the "Group") short history, the year under review stands out as a year of important transition.

2007 Review

The financial strength of the Group was materially improved with the placing of new shares in June 2007 to raise \$16.1 million net of expenses. This enabled CDS to enter 2008 with sufficient cash resources to carry out a comprehensive early-stage exploration programme. This new programme comprises the complementary application of a variety of geophysical techniques including aeromag, aerogravity and seismic as well as a geochemical survey to define drilling targets for late 2008/early 2009.

During the year, the Group engaged US company Carson Helicopters to undertake a 9,200 km aeromag and aerogravity study over the Boqueron, Gabino Mendoza and PG&E blocks. Exploration Technologies, Inc ("ETI"), also based in the US and specialising in geochemical techniques, has been engaged to perform a reconnaissance geochemical programme on the Gabino Mendoza and the Boqueron blocks. In addition, Harmattan FZE, a UAE based land seismic operator, has been contracted to conduct a 2-D seismic data acquisition programme of 700 km on the Boqueron and 281 km on the Gabino Mendoza blocks.

As announced in October 2007 we were pleased to welcome Petro-Saudi Ltd Inc, an affiliate of PetroSaudi International Ltd, as a significant shareholder with a current holding of 8.2%. PetroSaudi is building a portfolio of geographically diversified oil and gas properties and we believe they will be of significant assistance to the Group by strengthening access to long term financial resources and supporting the identification of possible acquisition opportunities.

Post year-end events

The gravity and magnetic interpretation of the Carson Helicopters survey has demonstrated the likely presence of structural highs within the sedimentary sequences of our portion of the sub Andean foreland basin in Paraguay. The preliminary evaluation of this technical data provides encouragement for the prospectivity of the blocks. The gravity and magnetic surveys have been followed by seismic and geochemical programmes which are currently ongoing. It is currently anticipated that analysis of the results from these three exploration tools will be undertaken over the coming months with a view to defining a selection of drilling sites. The Company is at an advanced stage of negotiations to raise further funds for this program.

CDS continues to develop its relationship with the Paraguayan authorities. On 20 April 2008 Paraguay underwent a major political change as a result of the presidential and parliamentary elections. After sixty one years in power, the Colorado Party ceded control of the government to a coalition of political parties and social movements led by the Liberal Party. The elections passed without incident. The rapid recognition of the outcome by all political parties and by the country's executive and judicial authorities demonstrate the successful transition to a more open and transparent democracy, a key condition welcomed by the multilateral institutions to encourage a sustainable development.

Furthermore, it is anticipated that the Group's activities will be assisted by the agreement between the Paraguayan Ministry of Environment and "Global Chaco", a local NGO. The agreement will lead to a joint study of biodiversity and the compatibility of exploration in the most sensitive areas of the "Parque Medanos del Chaco" which covers most of CDS's Gabino Mendoza and PG&E blocks as well as a small part of Boqueron. This cooperation with a NGO is a new initiative for Paraguay and CDS are fully supportive of the agreement.

Board

James Wade, Non-Executive Director stepped down from the Board in February 2008 and Dan Morrison, Director, will step down at the end of June. James Wade will continue to be available to the company as a consultant and Dan Morrison will continue to be President and one of the managers of the Group's Paraguayan affiliate, CDS Energy SA. They were both founders of CDS and the pioneers and active promoters of the potential of Paraguay as an oil and gas producer. We are grateful to them for their determination and persistence in the formation of CDS and their leadership during its early period as a public company.

Mr Bernard Verdu joined the Group on 6 May 2008 as Vice President and Chief Operating Officer. He is based in Paraguay and is responsible for CDS's operations in the country. His extensive international exploration background, over a career of more than thirty years, most recently as consultant to Perenco, will significantly enhance the Group's technical expertise. On behalf of the Board, we welcome him to CDS.

John W.S. Bentley (Chairman)

Patrice Roman (Chief Executive Officer)

CDS Oil & Gas Group Plc

Consolidated Income Statement for the year ended 31 December 2007

	Note	2007 US\$'000	2006 US\$'000
Administrative expenses		(1,593)	(1,294)
Loss from operations		(1,593)	(1,294)
Finance income	2	361	15
Finance expense	2	(7)	(98)
Loss for the year before taxation and loss for the year		(1,239)	(1,377)
Attributable to:			
- Equity holders of the parent		(1,239)	(1,377)
- Minority interest		-	-
Loss per share expressed in US\$ per share			
- Basic and diluted loss per share (2006 re-stated to reflect 1 for 10 share consolidation in 2007)	9	\$(0.02)	\$(0.06)

CDS Oil & Gas Group Plc

Consolidated Balance Sheet at 31 December 2007

	Note	2007 US\$'000	2006 US\$'000
Assets			
Non-current assets			
Intangible assets	4	14,833	11,072
Property, plant and equipment	5	456	147
		15,289	11,219
Current assets			
Inventory	6	1,618	1,568
Prepayments and other receivables		633	92
Cash and cash equivalents		11,523	387
		13,774	2,047
Total assets		29,063	13,266
Liabilities			
Current liabilities			
Trade and other payables	7	(447)	(404)
Provisions	8	-	(400)
Total liabilities		(447)	(804)
Total net assets		28,616	12,462
Capital and reserves attributable to shareholders			
Share capital		19,715	5,884
Share premium		14,242	9,157
Shares to be issued		-	1,665
Merger reserve		(1,097)	(1,097)
Foreign currency translation reserve		(62)	(204)
Retained deficit		(4,190)	(2,951)
Capital and reserves attributable to equity holders of the parent		28,608	12,454
Minority interest		8	8
Total equity		28,616	12,462

CDS Oil & Gas Group Plc

Consolidated Statement of Changes in Equity for the year ended 31 December 2007

Attributable to equity holders of the Company

	Share Capital	Share Premium	Shares to be issued	Merger Reserve	Foreign currency translation reserve	Retained deficit	Total shareholders equity	Minority interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2006	3,822	8,794	-	(1,095)	-	(1,574)	9,947	10	9,957
Currency translation differences and net expense recognised directly in equity	-	-	-	-	(204)	-	(204)	-	(204)
Loss for the year	-	-	-	-	-	(1,377)	(1,377)	-	(1,377)
Total recognised income and expense for the year	-	-	-	-	(204)	(1,377)	(1,581)	-	(1,581)
Shares issued in year	2,062	515	-	-	-	-	2,577	-	2,577
Share issue costs	-	(152)	-	-	-	-	(152)	-	(152)
Shares to be issued	-	-	1,665	-	-	-	1,665	-	1,665
Other reserve movement	-	-	-	(2)	-	-	(2)	(2)	(4)
At 31 December 2006	5,884	9,157	1,665	(1,097)	(204)	(2,951)	12,454	8	12,462
At 1 January 2007	5,884	9,157	1,665	(1,097)	(204)	(2,951)	12,454	8	12,462
Currency translation differences and net income recognised directly in equity	-	-	-	-	142	-	142	-	142
Loss for the year	-	-	-	-	-	(1,239)	(1,239)	-	(1,239)
Total recognised income and expense for the year	-	-	-	-	142	(1,239)	(1,097)	-	(1,097)
Shares issued in year	13,831	5,889	(1,665)	-	-	-	18,055	-	18,055
Share issue costs	-	(804)	-	-	-	-	(804)	-	(804)
At 31 December 2007	19,715	14,242	-	(1,097)	(62)	(4,190)	28,608	8	28,616

The following describes the nature and purpose of each reserve within owners' equity.

Share capital Amount subscribed for shares at nominal value.

Share premium Amount subscribed for share capital in excess of nominal value.

Shares to be issued Amounts received from shareholders in advance of the issue of the relevant shares.

Merger reserve Amounts arising from the merger of subsidiary investments.

Foreign currency translation reserve Gains/losses arising on retranslating the net assets of parent Company into US dollars.

Retained earnings Cumulative profit/(loss) of the Group attributable to equity shareholders.

CDS Oil & Gas Group Plc

Consolidated Cash Flow Statement for the year ended 31 December 2007

	2007	2006
	US\$'000	US\$'000
Cash flow from operating activities		
Loss before taxation	(1,239)	(1,377)
Adjustments for:		
- Finance income	(361)	(15)
- Finance expense	7	98
Equity-settled share-based payment expense	-	284
Net cash flow from operating activities before changes in working capital	(1,593)	(1,010)
(Increase)/decrease in inventories	(49)	175
Decrease in payables and provisions	(357)	(817)
Increase in receivables	(541)	(6)
Net cash flow from operating activities before interest and taxation paid	(2,540)	(1,658)
Investing activities		
Payments for property, plant and equipment	(309)	-
Interest received	361	15
Proceeds from the disposal of property, plant, and equipment	-	174
Exploration costs capitalised	(3,761)	(2,539)
Net cash flow from investing activities	(3,709)	(2,350)
Financing activities		
Issue of ordinary shares	18,055	2,289
Cost of share issue	(804)	(152)
Issue of convertible loan notes	-	1,432
Interest paid	(7)	-
Net cash flow from financing activities	17,244	3,569
Net increase/(decrease) in cash and cash equivalents in the year	10,995	(439)
Cash and cash equivalents at the beginning of the year	387	826
Effect of foreign exchange rate changes on cash and cash equivalents held	141	-
Cash and cash equivalents at the end of the year	11,523	387

CDS Oil & Gas Group Plc

Notes to the Financial Statements for the year ended 31 December 2007

1. Basis of preparation and significant accounting policies

The consolidated financial statements of CDS Oil & Gas Group Plc have been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively "IFRSs") as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The consolidated financial statements are the first CDS Oil & Gas Group Plc financial statements to be prepared in accordance with IFRS, the transition date being 1 January 2006.

2. Finance income and expense

	2007 US\$'000	2006 US\$'000
Bank interest receivable	361	15
Interest on borrowings	(7)	(98)

3. Taxation

Reconciliation of the total tax charge

UK Corporation tax rate is 30%. The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK. The charge for the year can be reconciled to the loss per the income statement as follows:

	2007 US\$'000	2006 US\$'000
Loss before taxation	1,239	1,377
	-----	-----
At standard rate of Corporation tax at 30% (2006: 30%)	372	413
Non-deductible expenses	(189)	(30)
Unrecognised tax losses carried forward	(183)	(383)
	-----	-----
Tax for the year	-	-
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No deferred tax asset has been recognised in relation to the trading losses available for offset against future taxable profits.

4. Intangible assets

Intangible assets represent the cost of investment in oil and gas projects where it is too early to make a decision regarding the existence or otherwise of commercial reserves.

	Exploration and evaluation costs	
	2007 US\$'000	2006 US\$'000
Cost		
At 1 January	11,072	8,602
Additions	3,761	2,470
	-----	-----
At 31 December	14,833	11,072
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CDS Oil & Gas Group Plc

Notes to the Financial Statements for the year ended 31 December 2007 - continued

5. Property, plant and equipment

Group	Office and computer equipment US\$'000	Furniture and fixtures US\$'000	Motor vehicles US\$'000	Total US\$'000
Cost				
At 1 January 2006	17	88	246	351
Additions	2	-	-	2
Disposals	-	(8)	(78)	(86)
	-----	-----	-----	-----
At 31 December 2006	19	80	168	267
Additions	36	127	189	352
Disposals	-	-	(76)	(76)
	-----	-----	-----	-----
At 31 December 2007	55	207	281	543
	----	----	----	----
Depreciation				
At 1 January 2006	4	4	22	30
Depreciation charge	5	30	55	90
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 December 2006	9	34	77	120
Depreciation charge	7	36	-	43
Disposals	-	-	(76)	(76)
	-----	-----	-----	-----
At 31 December 2007	16	70	1	87
	----	----	----	----
Net book value 2007	39	137	280	456
	----	----	----	----
Net book value 2006	10	46	91	147
	----	----	----	----
Net book value 2005	13	84	224	321
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The Company had no tangible fixed assets.

6. Inventory

	2007 US\$'000	Group 2006 US\$'000	2007 US\$'000	Company 2006 US\$'000
At cost:				
Inventory of tools and equipment, spare parts and various consumables	1,618	1,568	-	-
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7. Trade and other payables

	2007 US\$'000	Group 2006 US\$'000	2007 US\$'000	Company 2006 US\$'000
Trade payables	134	84	-	-
Other financial liabilities	313	320	298	264
Bank overdraft	-	-	-	24
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	447	404	298	288
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8. Provisions

Within current liabilities

	Group 2007 US\$'000	Group 2006 US\$'000
A 1 January	400	-
Charged to the income statement	-	400
Paid in the year	(400)	
	-----	-----
At 31 December	-	400
	-----	-----

The provision arose within the Group's Paraguayan subsidiary, CDS Energy SA, and concerned a dispute with its drilling contractor, Nabors International Limited. The amount provided in 2006 and settled in 2007 comprised \$270,000 plus legal fees of \$130,000. These amounts were capitalised within intangible assets.

9. Loss per Ordinary Share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In order to calculate diluted earnings per share, the weighted average number of ordinary shares in issue would be adjusted to assume conversion of all dilutive potential ordinary shares according to IAS 33. In 2007 and 2006 the Group made a loss after taxation and the effect of the potential ordinary shares is anti-dilutive and therefore the diluted earnings per share is the same as basic earnings per share.

Potential dilutive instruments include share options totalling 5,114,715 and warrants totalling 39,072,160.

	2007 Weighted average number of shares	Per share amount (US dollars)		2006 Weighted average number of shares	Per share amount (US dollars)
Earnings US\$'000			Earnings US\$'000		
Basic EPS	(1,239)	(0.02)	(1,377)	23,762,534	(0.06)

The 2006 earnings per share has been calculated taking into account a 1 for 10 consolidation of the ordinary shares.

10. Going concern

The Group entered 2008 with cash resources sufficient to carry out a comprehensive early-stage exploration programme. This programme is almost complete. Dependant on the outcome of this programme, the plan was to raise further funds to enable the Group to move onto the next stage, the drilling of target locations. As a consequence, the Group currently has insufficient funds available to meet its working capital requirements. Accordingly the Group is in discussions to raise further funds to continue in operational existence.

The financial statements have been prepared on a going concern basis as the Directors are confident that the Group will be able to raise the required funds. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.