



**CDS Oil & Gas Limited
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**CDS Oil & Gas plc (“CDS” or the “Company”)
Holdings in Company**

CDS, the AIM quoted oil and gas explorer (CDS.L), was informed on 2 October 2008 that PetroSaudi Ltd Inc (“PetroSaudi”) has acquired the entire share capital of each of Feltown Assets Inc. (“Feltown”) and Werton Finance S.A. (“Werton”) from private investors, Jean-Gabriel Antoni and Christo Christidis respectively. Feltown has an interest in 32,857,142 ordinary shares of 10p each of CDS (“Ordinary Shares”) and Werton an interest in 19,285,714 Ordinary Shares.

On 2 October 2008 the Company was also advised by PetroSaudi that it has acquired a further 3,450,000 Ordinary Shares through the market. The Company understands that the 3,450,000 Ordinary Shares were previously held by RAB Special Situations (Master) Fund Limited. Following these acquisitions, PetroSaudi has a beneficial interest in 63,889,386 Ordinary Shares representing 62.8% of the Company’s issued share capital.

As the central management and control of CDS is outside of the UK, the Channel Islands and the Isle of Man, the provisions of the UK Takeover Code do not apply to the Company.

Whilst the Company has not received formal notification of any changes to RAB Special Situations (Master) Fund Limited’s holding in CDS, the Company believes that RAB Special Situations (Master) Fund Limited no longer has a notifiable interest in the Company.

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About CDS

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

About PetroSaudi

PetroSaudi Ltd Inc, an affiliate of PetroSaudi International Ltd, a privately owned oil and gas exploration and production company, is involved in oil and gas ventures in many countries around the globe.