



Oil & Gas Group PLC

**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, is pleased to announce that the Company's previous substantial shareholders, Feltown Assets Inc ("Feltown") and Werton Finance SA ("Werton"), who remain committed to the development of CDS's interests in Paraguay, have acquired from Petro Saudi Ltd Inc (“PetroSaudi”), PetroSaudi’s entire holding in the Ordinary Shares of the Company. The acquisition was completed on 20<sup>th</sup> February 2009.

As a consequence, Feltown now holds 35,430,785 ordinary shares of 10p each of CDS (“Ordinary Shares”) (approximately 34.78% of the Company’s issued share capital) and Werton now holds 21,859,357 Ordinary Shares (approximately 21.45%). PetroSaudi no longer has an interest in the Company’s issued share capital.

Furthermore, Feltown and Werton have acquired jointly from PetroSaudi its rights and obligations as lender in relation to two unsecured working capital facilities granted to CDS in July 2008 for US\$2,000,000 and in December 2008 for US\$250,000.

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.

As previously announced, the Company will require additional funding in order to complete its exploration programme. Although the discontinuation of the relationship with PetroSaudi means the Company no longer has immediate access to the funding of its further expansion, the new controlling shareholders are already in active negotiations to cover its working capital requirements and to secure the appropriate partnerships and alliances for continuing the Company’s activities in the Paraguayan oil and gas sector.

**For further information:**

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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.