

CDS Oil and Gas Group plc ("CDS" or the "Company")
Extension to minimum work obligation

LONDON, 28 July 2009: CDS the AIM quoted oil and gas explorer (CDS.L) with operations in Paraguay is pleased to announce that it has received an extension from the Paraguayan Ministry of Public Works and Communications ("MOPC") - which is also responsible for energy and mining - to the Company's minimum work obligations on its exploration licence over the Boqueron block.

The Company's minimum work commitments for the Boqueron block initially required it to drill a minimum of three exploration wells prior to 21 November 2009. Whilst the minimum work obligation remains unchanged the MOPC has suspended the Company's commitments for 12 months, extending the expiry of the minimum work period to 21 November 2010. The extension affords CDS greater flexibility in identifying and negotiating terms with potential farm-in partners.

Patrice Roman, CEO of CDS, commented: "The extension will assist the ongoing discussions with new strategic partners in order to finance the next phase of our exploration program, which will consist mainly of drilling. It also demonstrates the high value of the relationship maintained by CDS with the Paraguayan authorities resulting from the fact that over the recent years CDS has been a principal player as regards oil and gas exploration in Paraguay."

At this time, the Company has received a significant level of interest from prospective investors with a view to covering the cost of the next stage of the exploration programme and whilst no funding arrangements have yet been formally agreed, the directors of the Company remain confident that further funds will be arranged in the near future.

Note to Editors:

CDS Oil and Gas Group plc is a UK company which, through its Paraguayan subsidiary, CDS Energy SA, has a 98.2% 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.

Further information:

CDS Oil and Gas Group

Patrice Roman - CEO +41 22 700 68 60

Hanson Westhouse Limited

Bill Staple / Richard Baty +020 7601 6100

UK enquiries:

Hudson Sandler +020 7796 4133

Jessica Rouleau

Other enquiries:

B4 Communication +41 22 592 50 22

Claude Baumann/Frederic Jacquemoud