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For release

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## **CDS Oil and Gas Group plc**

### **CDS COMPLETES £1.8 MILLION PLACING FOR OIL & GAS EXPLORATION IN PARAGUAY**

LONDON, England: 18 April 2007 - CDS Oil & Gas Group plc ("CDS" or the "Company"), the AIM-listed oil and gas explorer (CDS.L), is pleased to announce an investment of £245,000 by existing shareholders, as part replacement of funds that were unforthcoming in a placing of 145.4 million units at 1.25p per unit, each comprising one share and one warrant in CDS ("Units"), to raise £1.82 million gross, originally announced on 5 October 2006 (the "Placing").

CDS announced on 21 December 2006 that Calim Private Equity LLC of Aspen Colorado, USA ("Calim"), had failed to deliver funds that it had committed to subscribe in the Placing. Calim subscribed for a total of 42 million Units with a value of £525,000, payable monthly in five tranches from September 2006.

CDS will issue 19,600,000 shares for this investment, which together with the placings announced on 19 February and 5 March 2007 means that CDS has now recovered £525,000, the total amount originally subscribed by Calim.

CDS has also agreed to issue 3,750,514 new shares to Geodatos SAIC, a Chilean geophysical consulting company to CDS, as part payment for services rendered in 2006 and 2007 based on the then subscription price of 1.25 pence. The cash amount involved was £46,881. Geodatos provided an aeromagnetic and topographic survey over the Boqueron Bock area with results due to be finished within the next month.

CDS is a UK company which, through its Paraguayan subsidiary, CDS Energy S.A., has a 100% 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.

Application will be made for 23,350,514 ordinary shares of 1p each in the Company to be admitted to trading on the AIM Market ("Admission"). The new shares will rank *pari passu* with existing ordinary shares in the Company and is expected that Admission and trading in the shares will commence on 24 April 2007. The warrants will not be listed. Following Admission, there will be 407,780,776 Ordinary shares of 1p each in the Company in issue.

ENDS

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