



CDS Oil & Gas Group plc
17 Hanover Square
London W1S 1HU
United Kingdom
E-Mail: info@cds.com.py
Web Site: www.cdsogg.com

For release at 13:00, 22 December 2005

CDS REACHES PLANNED DEPTH IN FIRST WELL IN PARAGUAY

LONDON, England: 22 December, 2005 - CDS Oil & Gas Group plc ("CDS"), the AIM-listed oil explorer (CDS.L), is pleased to report that it has reached the planned depth of 1,635 meters on its first well in the Chaco region of Paraguay. The well has been cased and suspended for testing at a later date.

The well, which was spudded on November 25, 2005, is located 200m south-east of the Independencia 1 well drilled in 1993 on the Gabino Mendoza block, which was in turn a re-entry of the Mendoza 1-R well drilled by Pure Oil in 1959. The primary objective of the new well was a potential oil-bearing zone between 705 metres and 1,600 metres, identified by CDS through its interpretation of seismic data and the well logs of previous drilling operations.

Early results have indicated the presence of hydrocarbons at various levels within the well, but are as yet inconclusive. CDS is currently engaged in analysing the drilling logs and the results taken from sidewall cores to ascertain the potential of the well. Further information will be provided in due course.

James Wade, President and CEO of CDS, said: "There are encouraging indications from this well. However there is still a great deal of work required before we can confirm the quality and quantity of the hydrocarbon indications we have encountered."

Ends

Enquiries to:

James Wade
President and Chief Executive Officer
CDS Oil & Gas PLC

Tel: + (595)-21-664-270

Simon Rothschild
Bankside Consultants Ltd.

Tel: + (44) 20 7376 8871 (office)
+ 44 (0) 7703 167 065 (cell)