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For release

8th January 2007

CDS Oil & Gas Group PLC

Conversion of Securities

LONDON: Monday, 8 January 2006 - On the 19th January 2006 the company announced that it had agreed a £500,000 Convertible Loan from Westmount Energy Limited, ('Westmount') the Jersey, Channel Islands, based independent energy investment company quoted on AIM, to assist the funding of its exploration programme in the Chaco Basin in North West Paraguay.

In accordance with the terms of the Convertible Loan, Westmount has agreed to apply the Loan and accrued interest of £36,123,29 and is subscribing for 37,622,687 new shares at the conversion price of £0.01425p per share. This is equal to 10.39% of the enlarged share capital.

On the 15th May 2006, the company announced that it had issued a £300,000 Convertible Loan ('the Loan') to GMG Trust Limited, ('GMG') a Geneva-based financial management group, again to assist in the funding of CDS's exploration programme in the Chaco Basin in North West Paraguay.

In accordance with the terms of the Loan, GMG has agreed to apply the Loan and accrued interest of £14,658.90 and is subscribing for 5,244,315, new shares at the conversion price of £0.06p per share. This is equal to 1.45% of the enlarged share capital.

Consequently, the company will be applying for 42,867,002 ordinary shares of £0.01p to be admitted to trading on the AIM market. These shares will rank pari passu with existing ordinary shares and it is expected that dealings will commence in the new Ordinary shares at 8.00am on 11th January 2007.

As a result, the total number of shares with voting rights will be 362,030,262.

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