



Oil & Gas Group PLC

CDS Oil & Gas Group plc

**1 Frederick's Place
Old Jewry
London
EC2R 8AE
Tel: 020 7367 8873
Fax: 020 7367 8899**

NEWS RELEASE

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Further issue of ordinary shares

LONDON: 17 October 2006 - CDS Oil & Gas Group plc ("CDS" or the "Company") announces that further to the recent placing of ordinary shares of 1p each ("Ordinary Shares") in which CDS raised £1.8 million in cash, as announced on 6 October 2006, the Company is applying for up to 83,062,560 Ordinary Shares to be admitted to trading on the AIM Market. Of these shares, 4,261,760 are being issued in lieu of fees in connection with the placing.

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 20 October 2006.

As announced on 13 October 2006, 67,558,000 shares in connection with the placing have already been admitted to trading.

ENDS

Contact:

Simon Rothschild, Bankside Consultants

Tel: 020 7367 8871

E-mail: simon.rothschild@bankside.com