

**NEWS RELEASE**

For release: 14 June 2007

**CDS OIL & GAS GROUP PLC  
RESULT OF EXTRAORDINARY GENERAL MEETING  
1 FOR 10 CONSOLIDATION OF ORDINARY SHARES  
CHANGE OF DIRECTORATE**

LONDON, England: 14 June 2007 - CDS Oil & Gas Group plc ("CDS" or the "Company"), the AIM-listed oil and gas explorer (CDS.L), is pleased to report that all resolutions proposed at its Extraordinary General Meeting, held in London today, were duly passed.

By passing these resolutions, shareholders in CDS have approved, inter alia, the issue of 609 million new shares (pre-consolidation) in cash at an issue price of 1.4 pence per share to raise £8,526,000 net of expenses, equivalent to approximately 59.9% of the Company's enlarged share capital. The investors are private companies controlled by Mr Patrice Roman, Mr Jean-Gabriel Antoni and Mr Christo Christidis (the "Investors").

As announced on 18 May 2007, following completion of the subscription Mr Roman is joining the Board of CDS as an executive director and shall be appointed as the chief executive officer. Mr Takeo Hirata and Mr Evanan Romero are joining the Board as non-executive directors, all appointments to take effect immediately.

Mr Roman, age 62, has a degree in law and political science from the University of Lyon and was formerly chief operating officer of Marcotrade SA, a Geneva-based company active in the trading of crude oil and refined products. Since 1992 he has been an independent consultant in the energy, environment and transportation sectors.

Mr Hirata, age 47, has held several important posts within the Japanese Government's Agency of Natural Resources and Energy, including that of Director of International Petroleum Affairs and Director of Petroleum Exploration and Production. He has also served as First Secretary at the Japanese Embassy in Brazil.

Mr Romero, age 68, is a petroleum engineer and initially worked with Shell Oil and then Arco in Venezuela. He is a former Vice Minister of Energy and Mines in the government of Venezuela and also served as managing director of Petroleos de Venezuela SA.

Mr John Bentley will continue as non-executive chairman of CDS and Mr Jeremy Eng and Mr. Guillermo Peroni will continue as non-executive directors. Mr. Daniel Morrison will continue as Sr. Vice President and executive director. Mr. James Wade will be appointed Sr. Vice President. Mr Keith Irons, a non-executive director, will stand down from the Board following the EGM.

Disclosures to be made under Schedule 2 (g) (ii) to (viii) of the AIM Rules for Companies:

Patrice Roman has been a director of Russ Finance Sarl, Geneva, from October 1999 until today. This company is currently under voluntary liquidation. Within the past 5 years Mr Roman

was also a director of BTSA, Nyon and Insurative Capital Solutions Ltd, UK, but no longer holds these positions.

Mr Hirata was appointed Outside Director of Taica, Japan in June 2006.

There are no further disclosures to be made regarding the appointments of Mr Roman, Mr Hirata and Mr Romero under these AIM Rules.

As a result of the issue of shares, Patrice Roman is interested in 8,757,142 Ordinary shares of 10p each in the Company (post consolidation), which represents 8.6% of its enlarged share capital. Mr Roman's shares are held through his investment vehicle, Red Law Corporation Services Inc. The details of the options and the warrants held by Red Law Corporation Inc. for Mr Roman's benefit are as follows:

#### Warrants:

578,962 warrants with an exercise price of US\$0.10 per warrant expiring on 30 June 2007;  
224,905 warrants with an exercise price of £0.10 per warrant expiring on 21 September 2010;  
23,291,544 warrants with an exercise price of £0.03 per warrant expiring on 5 October 2008; and  
9,036,093 warrants with an exercise price of £0.03 per warrant expiring on 30 April 2009.

#### Options:

2,948,416 options with an exercise price of £0.10 per option expiring on 5 April 2010;  
214,431 options with an exercise price of £0.10 per option expiring on 6 September 2010;  
53,608 options with an exercise price of US\$0.10 per option expiring on 16 February 2009;  
53,608 options with an exercise price of US\$0.10 per option expiring on 16 January 2010;  
53,608 options with an exercise price of US\$0.10 per option expiring on 3 October 2009;  
64,329 options with an exercise price of £0.10 per option expiring on 23 October 2009; and  
21,443 options with an exercise price of £0.10 per option expiring on 30 April 2010.

#### 1 for 10 share consolidation

Shareholders of CDS have granted approval for a 1 for 10 consolidation in the Company's shares. Application was made for 101,675,828 ordinary shares of 10p each in the Company to be admitted to trading on the AIM Market ("Admission"), being the sum of the consolidated existing shares in issue and the new shares which are the subject of the placing.

The share register for existing ordinary shares of 1p each will close at 5.00pm on 14 June 2007. The new shares to be issued to the investors will rank pari passu with the ordinary shares in the Company arising on the share consolidation and it is expected that Admission and dealings in the new form of shares will commence at 8.00am on 15 June 2007. The ISIN number for CDS ordinary shares of 10p each will be GB00B1XN5G38.

Following the consolidation and Admission, there will be 101,675,828 Ordinary shares of 10p each in the Company in issue.

CDS is a UK company which, through its Paraguayan subsidiary, CDS Energy S.A., has a 98.1% 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.

ENDS

Contact:

Simon Rothschild, Bankside Consultants



Tel: 020 7367 8871  
E-mail: [simon.rothschild@bankside.com](mailto:simon.rothschild@bankside.com)

Jasper Allen, Insinger de Beaufort  
Christopher Caldwell, Insinger de Beaufort

Tel: 020 7190 7000  
E-mail: [jhjallen@insinger.com](mailto:jhjallen@insinger.com)