

COSTA ANNOUNCES REVISED FINANCING

CALGARY, February 4, 2008 – COSTA Energy Inc. ("COSTA" or the "Company") (TSX Venture Exchange: COE) announces that the terms of its debenture financing announced December 27, 2007 have been amended. Gross proceeds, if the issue is fully subscribed, have been increased from \$1.0 million to \$1.2 million. The non-brokered private placement is now up to 1,200,000 units ("Units") at \$1.00 per unit, each unit consisting of \$1.00 principal amount of secured, non-convertible debentures ("Debentures") and 0.67 of one common share purchase warrant ("Warrant"). The exercise price for the Warrants has been reduced from \$0.15 to \$0.10 per share and the term has been extended from December 31, 2008 to June 30, 2009. Each Warrant will now entitle the holder thereof to purchase one common share at a price of \$0.10 per share until June 30, 2009. Closing of this proposed financing is anticipated to occur on or about February 15, 2008, and will be used to repay \$883,000 of existing debentures and for working capital purposes. The Warrants issued pursuant to this private placement will be subject to a four month statutory hold period.

Application has been made to the TSX Venture Exchange and both the offering and the pricing of the warrants are subject to TSX Venture Exchange approval.

Management and directors are expected to subscribe for up to \$500,000 of this issue.

COSTA is a Calgary based junior oil and gas company, which develops, produces, and sells crude oil, natural gas liquids and natural gas in Alberta.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.