

## COSTA RELEASES 2008 FIRST QUARTER RESULTS

**CALGARY, May 27, 2008 – COSTA Energy Inc.** (“COSTA” or the Company)(TSX Venture Exchange: COE) has released its financial and operating results for the quarter ended March 31, 2008.

### **SUMMARY**

**Three months ended March 31, 2008  
(Unaudited)**

<b>Production and prices</b>	
Natural gas sales (mcf/d)	306
Oil sales (bbls/d)	6
Average daily sales 6:1 (boe/d)	57
Average natural gas price (\$/mcf)	\$7.74
Average oil price (\$/bbl)	\$85.64
<b>Financial (\$)</b>	
Oil and gas revenue	\$263,567
Net loss and comprehensive loss	\$294,480
Net loss per share, basic and diluted	\$0.01
<b>Shares</b>	
Weighted average basic and diluted	43,260,735
Outstanding at period end	43,260,735

The Company experienced a net loss and comprehensive loss of \$294,480 (\$0.01 per share, basic and diluted) for the quarter ended March 31, 2008. The Company completed the sale of its Pembina property with the closing of the plant disposition in the first quarter for \$48,750 and closed the sale of the Veteran oil property effective April 1, 2008 for \$46,312.

On February 22, 2008, the Company issued 990,000 units at \$1.00 per unit consisting of \$1.00 principal amount of subordinated secured debentures and 0.67 of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share at a price of \$0.10 per share until June 30, 2009. The \$990,000 principal amount of debentures bears interest at 12% per annum (payable quarterly) and has a maturity date of December 31, 2008. Proceeds of the sale of units were used to repay the debentures outstanding as of December 31, 2007.

COSTA has retained Sayer Energy Advisors to assist in pursuing various strategic alternatives. In this regard, the Company continues to evaluate a number of proposals received for the sale of COSTA Resources Ltd., a wholly-owned subsidiary which holds all of the Company’s oil and gas assets.

### **About COSTA**

COSTA’s interim report, management’s discussion and analysis and financial statements for the quarter ended March 31, 2008 are available on [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.costaenergy.com](http://www.costaenergy.com).

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

Requests for shareholder information should be directed to:

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*Forward-Looking Statements: Certain information in this press release contains forward-looking statements, including, without limitation, drilling plans, expected results and certain expected expenses and costs in subsequent periods. These forward-looking statements involve inherent risks and uncertainties, some of which are beyond the Company's control, including but not limited to the impact of general economic conditions, industry conditions, commodity price volatility, currency fluctuations, environmental risks, competition, reserve estimates, ability to access sufficient capital from internal and external sources and industry regulation. The assumptions used in the preparation of such information, although considered reasonable by COSTA at the time of preparation, may prove to be incorrect and actual results may differ materially from those expressed in or implied by these forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities laws.*

*Oil Equivalent Conversion: Barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil and natural gas liquids equivalent. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead or point of sale. Barrel of oil equivalents may be misleading, particularly if used in isolation.*

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