

COSTA CLOSES SALE OF COSTA RESOURCES LTD.

CALGARY, October 21, 2008 – COSTA Energy Inc. ("COSTA" or the "Company") (TSX Venture Exchange ("TSX-V"): COE) announces that the Company today closed the previously announced sale of all the shares in the capital of the Company's wholly owned subsidiary, COSTA Resources Ltd., which holds all of the Company's oil and gas assets, to Cumberland Oil & Gas Ltd. for aggregate cash consideration of \$1,800,000 (the "**Closing**").

At the Annual and Special Meeting of the Company held on October 20, 2008, the shareholders passed a special resolution with greater than the requisite 66 2/3% approving the sale. The meeting also re-elected Messrs. Curtis D. Bartlett, Terry D. Brooker, John McBride, Ron D. Miller and A. Murray Sinclair to the board of directors. In addition, the shareholders passed a special resolution to effect the consolidation of the common shares on up to a ten for one basis, with the final consolidation ratio to be determined by the board of directors.

After the Closing, the Company has no operating assets and will be transferred from the TSX-V to NEX, which is a separate board maintained by the TSX-V for the listing of companies which do not meet the minimum TSX-V tier maintenance requirements.

Requests for shareholder information should be directed to:

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