

4 December 2009

MEDITERRANEAN OIL & GAS PLC (AIM: MOG)

(The “Company” or “MOG”)

Operational Update

1. Ombrina Mare production concession and ongoing technical review
2. Guendalina field concession and field development plan
3. Monte Grosso 2 well
4. Anzano gas field development
5. Exploration portfolio review and rationalisation

The Board of Mediterranean Oil & Gas Plc (AIM: MOG), the central Mediterranean-focused producer, developer and explorer of oil and gas assets, is pleased to provide the following operational update.

1. Italy - Ombrina Mare Oil & Gas Field (MOG 100% and Operator)

On 3 December 2009, the Company submitted the Environmental Impact Assessment Study (“EIAS”) to the Italian Ministry of Environment. This submission follows the technical approval of the Ombrina Mare Field Development Plan by the CIRM committee of the Ministry of Environment, issued on 23 June 2009. MOG aims to have completed the environmental approval process by the third quarter of 2010, and is targeting the final grant of the full production licence by the end of 2010.

In addition, the Company remains on schedule with the execution of several key post-drilling technical studies. Initial results of these studies are encouraging and MOG is pleased to announce that it is planning to request a review and update of the independent certification of the field’s oil reserves. The Company intends to publish the full certification report in the first quarter of 2010.

Background on Ombrina Mare Production Concession Application (d30 BC MD):

The application for the production concession to permit development of the Ombrina Mare Oil & Gas Field was submitted on 17 December 2008. It covers an offshore area of approximately 100 sq.km. in the central Adriatic Sea.

The Ombrina Mare field development plan (“FDP”) has been designed by Proger SpA to produce the field’s 20 MMBbls and 6.5 Bcf of certified 2P oil and gas reserves.

Oil is trapped in a Miocene and Cretaceous carbonate platform reservoir and gas is trapped in 16 reservoir horizons in the middle-upper Pliocene gas sands complex. The OM2dir well produced 17-19 °API oil at a rate of approximately 1,000 bbls/d, without any formation water. The OM2dir well was completed as an oil producer and a temporary platform has been put in place.

The proposed development plan comprises:

- A single production platform at the OM2dir temporary platform location;

- 5 development wells (including the already completed and suspended oil producer OM2dir), two of which will have double completion for oil and gas;
- 1 FPSO plant designed for maximum oil production of 10,000 bbls/d and to store up to 50,000 tonnes of oil; and
- A 12km submarine gas pipeline to connect gas produced from the Ombrina Mare area to an existing offshore gas production plant.

The current estimated capital expenditure for the FDP amounts to between €150 and €180 million, based on prices prevailing in 2008.

Under the FDP, gross oil and gas production from the main Ombrina Mare field is targeted to progressively increase to a peak of 5,000 to 7,500 bbls/d of oil and 3.5 MMcf/d of gas. In the Company's development scenario, production is now scheduled to start in late 2012 once all of the development wells have been drilled and the production facilities are in place.

An additional and contingent development plan has also been submitted in the application for the oil and gas production concession. This plan is directed at obtaining the approvals to appraise and explore the additional contingent and prospective oil and gas resources identified inside the Ombrina Mare production concession area and will be implemented once the main field is in production.

2. Italy - Guendalina Gas Field (MOG 20%, ENI 80% and operator)

MOG expects the Ministry of Economic Development (the "Ministry") to issue the Guendalina production concession by year-end 2009. As a result of this and given the latest timetable provided by ENI SpA ("ENI"), MOG expects ENI to start field development activities in January 2010.

Construction and installation of the production platform is scheduled to be completed in 2010; while the drilling of two development wells is planned in the first half of 2011, with gas production and associated revenues expected to commence prior to the end of June 2011.

ENI is currently reviewing the required development capital expenditure for the project and has informed MOG that it expects an increase in costs compared to previous estimates provided by ENI. The increased project costs are mainly attributable to: (1) recently introduced additional HSE regulatory requirements, requiring the upgrade of the development facilities, and (2) a requirement issued by the Ministry of Environment to install a monitoring system capable of measuring any potential subsidence associated with gas production at the Guendalina field.

On the basis of data provided by ENI and MOG's analysis of the Guendalina project, the Company continues to believe the field will be economic and value accretive to MOG. MOG expects to finance the increase in required capital expenditure through a corresponding increase in its dedicated credit facility. The Company is engaged in discussions with its bankers in this respect and a further announcement will be made in due course.

Based on studies performed by ENI, the aggregate gas production from the field is expected to be around 20 MMcf/d (100% basis). MOG has a 20% interest in the Guendalina gas field which has independently certified 2P gas reserves of 22 Bcf (100% basis).

MOG will provide a further update once the production concession is formally awarded and published in the Ministry's official bulletin.

3. Italy – S.S. Bernardo permit - exploration well Monte Grosso 2 (“MG2”) (MOG 22.89% and Operator; ENI 63.34%; Total 13.77%)

MOG and its JV partners, ENI and Total, have decided to postpone the drilling schedule for the MG2 exploration well, to 2011. This decision was taken as a consequence of the on-going non availability of the EMSCO 3 rig and given that the JV partners are still waiting for the issuance of final drilling approval from the Basilicata regional authority.

During 2010, MOG plans to execute routine site maintenance works and, pending resolution of the above mentioned issues, prepare the site for a well spud in 2011.

Background on the S.S. Bernardo Permit, MG2 Exploration Well:

The Monte Grosso prospect is located next to, and on trend with, the main onshore oil production region in Western Europe, where the Val d’Agri field (ENI, Shell) is producing approximately 100,000 bbls/d and the Tempa Rossa field (Total, Shell, Exxon) is presently under development.

MOG estimates that the most likely expected prospective oil resources on the Monte Grosso prospect are 64 MMbbls net to the Company (280 MMbbls gross oil prospective resources).

The exploration target is about 6,400 metres deep and the planned well target depth is 6,800 metres.

4. Italy – S. Andrea Concession – start up of Anzano gas field development (MOG 40% and Operator; Edison 50%; Petrorep 10%)

The Anzano 1 production well is located inside the S. Andrea on-shore production concession and is expected to commence gas production by the first quarter of 2010.

The development of the Anzano field is part of the Company’s on-going gas production and reserve enhancement strategy.

Development activity commenced on 17 November 2009 and should be completed by the end of the first quarter of 2010. The works consists mainly of the layout of a gas pipeline to connect the well to existing gas producing infrastructure.

The development expenditure net to MOG amounts to approximately €200,000. The economics of this small project are particularly attractive because of the utilization of the existing production plant of the other producing gas fields within the concession.

Under the field development plan, gross gas production at Anzano 1 is targeted progressively to increase to a peak of 7,000 – 8,000 scm/day (2,800 to 3,200 scm/d net to MOG). The well is expected to produce approximately 1.0 MMscm per annum net to MOG.

5.0 MMscm (0.2 Bcf) of 2P reserves net to MOG have been independently certified on this field inside the Pliocene shaly sand reservoir, at a depth of 1,110 metres.

5. Exploration portfolio review and rationalization

MOG recently completed a full review of its existing exploration portfolio. The review was performed to identify exploration permits with high-risk and limited resource potential, so as to rank the exploration portfolio in order of priority in time, management commitment and capital

allocation. Based on the results of this review, the Company intends to relinquish or release a total of eight exploration permits in Italy and Tunisia.

Sergio Morandi, the Company's CEO, stated:

“Guendalina and Ombrina Mare continue to produce excellent milestones that are propelling us towards our goal of becoming a medium sized oil and gas producer. In addition, the expected award by year-end 2009 of the Guendalina production concession allows the Company to consolidate the development timetable and the forecast start-up of field production. The field's gas production will allow MOG to triple its current annual rate of net gas production.

The submission of the Environmental Impact Assessment Statement for the Ombrina Mare field just five months after receipt of technical approval of the Field Development Plan represents another operational success for the Company and again confirms MOG's technical and operational ability to progress this significant project on schedule.

The commencement of development works at the Anzano gas field demonstrates management's focus on enhancing production from its existing portfolio of onshore concessions and the optimal utilisation of existing gas production plants and other infrastructure.

The ongoing rationalisation of the Company's exploration portfolio is designed to ensure that MOG's capital and technical expertise is directed primarily towards its key projects and forms part of management's ongoing cost reduction efforts.”

QUALIFIED PERSON

Sergio Morandi (a director of the Company) holds a first class honours degree in geology from La Sapienza University (Rome) and has over twenty seven years of E & P experience spent in oil and gas exploration and operations management and seismic data acquisition, processing and interpretation with ENI, Coparex, ELF, Enterprise Oil, Shell Italia E&P and Shell International E&P. Mr Morandi's last position held was as International Geophysical and Business Advisor with Shell International E&P at EPTS - Centre of Expertise in The Netherlands. His earlier roles include Head of Exploration for Shell Italia E&P and as Head of Exploration and Chief Geophysicist for Enterprise Oil Italiana. Mr Morandi has been a lecturer in Applied Seismology at the Basilicata University in Italy, is a board member of Associazione Mineraria Italiana, is a current member of the European Association of Geoscientists and Engineers, registered member number 563 of the Lazio Geologists' Order and is a registered geological adviser to the Rome and Viterbo Tribunals in Italy. Mr Morandi is a “qualified person” for the purposes of the AIM Guidance Note for Mining and Oil and Gas Companies June 2009. He has compiled, read and approved the technical disclosures contained in this regulatory announcement which comply with the SPE/WPC standard.

GLOSSARY

Bcf	billion cubic feet of gas
Bbls/d	barrels of oil per day
Bbls	barrels
FPSO	Floating Production, Storage and Offloading
m	metres
MMscm	millions of standard cubic meters
MMbbls	millions of barrels

MMcf	million cubic feet of gas
MMcf/d	million cubic feet of gas per day
Scm	standard cubic meters
2P	proven plus probable reserves as defined in the SPE/WPC standard

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