

22 June 2011

**Mediterranean Oil & Gas Plc
("the Company", "MOG")**

Italy - Guendalina Gas Field (MOG interest 20%; ENI 80% and Operator)

Announcement of Gas Sale Contract

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 announce that its subsidiary Medoilgas Italia SpA has signed a gas sales contract with the Italian utility Elettrogas SpA covering the entirety of the Company's net gas production from the Guendalina gas field.

The term of the contract is one thermal year, commencing from October 1, 2011 and is automatically renewed by a further year unless terminated by either party. First production from the Company's Guendalina gas field is expected in late September 2011.

Based on the contract's gas price formula, the current and forecast average gas price is €0.306/cubic meter (US\$11.50 /thousand cubic feet). Management expect net revenues to MOG to be approximately €12 million per annum, based on anticipated production of approximately 20 MMcf/day (20% net to MOG) and forecast gas prices.

Michael Bonte-Friedheim, the Company's CEO, stated:

"We are very pleased to have concluded the gas sales contract with Elettrogas. The contract's flexibility allows us to manage possible variations to the development plan that might emerge, substantially mitigating our volume and price risk.

The Guendalina development is progressing well and on schedule. The development represents one of the key milestones of the Company's business plan that will allow it to significantly increase net gas production and revenues once this comes on stream in late September."

ENQUIRIES:

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Background:

- The Guendalina gas field is 47km off of the northeast coast of Italy in 42m of water.
- The field has independently certified 2P gas reserves of 22 Bcf (4.5 Bcf net MOG).
- Based on studies performed by ENI, the aggregate gas production from the field is expected to be approximately 20 MMcf/day (100% basis); 4MMcf/day net to MOG.
- The development plan is progressing on schedule:
 - Platform jacket installed;
 - 2 development wells drilled and under completion;
 - Deck installation and subsea pipeline lay out forecast to commence in July;
 - first gas is presently expected in late September 2011.

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 thirty years 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. He has compiled, read and approved the technical disclosure in this regulatory announcement. The technical disclosure in this announcement complies with the SPE/WPC standard.

Glossary

- Sqkm Square kilometers
- Scm Standard cubic meter
- Bcf Billion cubic feet of gas
- Mcf Thousand cubic feet of gas
- MMcf Million cubic feet of gas
- MMscm Million standard cubic meters
- TD m Total Depth in meters
- MD Measured Depth
- TVD True Vertical Depth
- MDT Modular formation Dynamic Tester
- 2P (P1 & P2) Reserves Proven plus probable reserves as defined in the SPE/WPC Standard
- Prospective oil/gas resources Has the meaning ascribed by the SPE/WPC Standard
- SPE/WPC Society of Petroleum Engineers/World Petroleum Congress