

18 September 2006

MEDITERRANEAN OIL & GAS PLC (the "Company" or "MOG")

**PRODUCTION TEST RESULTS UPDATE
AND
ACQUISITION OF NEW EXPLORATION PERMIT**

The Board of Mediterranean Oil & Gas Plc (AIM: MOG) is pleased to announce today an update from its wholly owned Italian subsidiary, Intergas Piú (IGP), in relation to the results of the production tests on the Santa Caterina Gas Field (onshore southern Italy) and the acquisition of the Montemarcano exploration permit (onshore central Italy).

Santa Caterina 2 Dir. WELL – Production test results (Lucera Concession, MOG 13.6%)

The permit operator, Gas Plus Italiana, has advised that production tests from the Santa Caterina Gas Field have been carried out successfully. The main gas producing sands have been intersected 10 metres updip of the original location.

Subsequent to the work-over carried out in the San Caterina 2 well, 9 sand levels were completed over a depth range between 1,025 and 1,535 m/RT. All 9 intervals were tested with 7 sand levels being able to flow gas at a total flow rate of 4 MMscf/d. The reservoir pressures have been found around 1,450 psi with some of the layers still maintaining the original reservoir pressure conditions. As a start, two intervals are now ready to deliver production through the Reggente gas plant (already equipped for gas treatment and double stage compression) and to be distributed through the Italian gas pipeline network. The initial flow rate of the well (100% basis) will be about 1.4 MMscf/d and production will start next November.

The operator is using the new results to update the reserves estimate for the Santa Caterina Gas Field.

The Company's CEO, Giovanni Catalano, said: "The results of the updip sidetrack well on the Santa Caterina Gas Field have demonstrated the upside potential of seven sand levels that were not originally developed and produced in the field. These very encouraging results will certainly increase the ultimate recoverable reserves for the field and have a positive impact on the ongoing reserves enhancement programme that the Company is undertaking in its Italian producing assets."

Montemarcano exploration permit – Acquisition of 50% equity and operatorship

The Company has negotiated with SARP s.r.l. to farm into the Montemarcano exploration permit. MOG will assume the operatorship and earn 50% equity in the permit. The exploration permit was recently awarded 100% to SARP and is located onshore in central Italy close to the Company's Agugliano exploration permit. The Company will earn its interest by carrying SARP for the cost of the first well in the block.

One ready to drill prospect has already been identified in the Montemarciano permit. The well will target shallow (expected target depth of 1,000 metres) gas methane within Pliocene sands with best estimate prospective resources of 2.6 Bcf (high estimate 3.5 Bcf). Drilling the Montemarciano well will be part of the forthcoming drilling string that MOG is planning for early 2007.

The farmin is subject to Ministerial approval.

Qualified Person and Compliance with SPE Standard

Giovanni Catalano (a Director of the Company) has had over twenty-five years in the upstream oil and gas industry with the last position held in Woodside Energy Pty Ltd, Perth, Western Australia as Business Development Manager – Far East. Prior to Woodside (seven years), Mr Catalano was with AGIP (nine years) and LASMO International (eleven years). He is a former Director of Woodside Energy UK and AGIP Mauritania BV companies and former Chairman of Woodside Energias SA in Spain. 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

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| Psi | pound per square inch |
| SPE/WPC | Society of Petroleum Engineers/World Petroleum Congress |
| MMscf/d | Million standard cubic feet per day |
| Bcf | Billion cubic feet |

Enquiries:

Mediterranean Oil & Gas Plc

Giovanni Catalano, CEO/Managing Director

Tel: +39 06 474 5756

Tony Trevisan, Executive Director

Tel: +44 790 162 4290

WH Ireland Limited

Philip Haydn-Slater/Paul Dudley

Tel: +44 (0) 20 7220 1666