

Mediterranean Oil & Gas Plc (AIM : MOG)

Acquisition of 25% interest in Northern Tunisian from Carthago Oil Company

29th March, 2006

The Board of Mediterranean Oil & Gas Plc ("MOG" or the "Company") announce today that the Company's wholly owned subsidiary Malta Oil Ltd ("MOL") has entered into an agreement to acquire a 25% interest in the Medjerda Block petroleum licence, in Northern Tunisia, from Carthago Oil Company. The acquisition is subject to the following terms and conditions precedent:

A summary of the key terms of the agreement is as follows:

1. MOL will free carry Carthago for 10% of the licence cash contributions (100% basis) in respect of the first and second wells to be drilled on the licence, seismic and related works. MOL's total liability to free carry Carthago's 10% interest will be capped at US\$ 1 million.
2. Within 30 days of the licence joint venture partners declaring a hydrocarbon discovery on the licence to be commercial, and the discovery being accepted as a commercial discovery by ETAP (the Tunisian regulatory authority), MOG will pay to Carthago the lesser of:
 - (a) 25% of audited past direct costs incurred by Carthago in respect of the licence or
 - (b) US\$ 2 million.

The agreement is conditional upon, inter alia:

1. Receipt of all formal ETAP and government consents and approvals to the transfer of an interest in the licence within 90 days; and
2. Agreement by the operator Range Petroleum Ltd to the 25% transfer in the licence and certain changes to the Joint Operating Agreement, within 90 days.

Medjerda Block

The **MEDJERDA BLOCK** is located onshore Northern Tunisia and covers a surface of 4,956 km², that results from the 2004 merge of the former Medjerda and Tabarka exploration acreages.

Seismic and geological works carried since 1995 have defined several prospects and leads in several geological "domains" that constitute the geological subdivisions of the block.

The **TEBOURSOUK** Prospect in the southern part of the block has been identified and matured to drillable status by Range Petroleum Ltd and Carthago Oil Company, and the Board of the Company believes, presents a drilling opportunity for the first well to be spud on this prospect in Q4 2006.

Technical reports made available to the Company by Carthago provide that the prospect **P50** reserves are estimated to be 80 MMbbls and 27 MMbbls for the Aptian sandstones and Carbonate Complex objectives respectively. The Company is presently unable to verify that these estimates adhere to an internationally

recognised standard and will update the notification in accordance with the SPE standard as soon as practicable.

The prospect has a low cost development environment, given the proximity to the Bizerte refinery and the favourable fiscal regime. The Directors believe that the threshold for an economical discovery on the block is approximately 10 MMbbls based on an oil price of US\$20/bbl.

The Medjerda Block Contract is a Production Sharing Contract with the presently ongoing exploration period valid until June 2008. The remaining commitment work programme is the drilling of one well before June 2008. Subsequent extension of the exploration period for additional 2.5 years (December 2010) is possible subject to committing to a well.

Giovanni Catalano MOG's CEO said: "We are looking forward to the exploration potential in this very large onshore block that has similar geological settings to the Italian areas where Mediterranean Oil & Gas has long standing experience and expertise in the E&P business. The combined experience of the Joint Venture with Range Petroleum and Carthago will help to properly evaluate the potential of this relatively unexplored area of Tunisia."

Qualified Person

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.

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