

13 August 2010

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

Update on Italian Environmental Code

Further to the announcement on 2 July 2010, the Board of Mediterranean Oil & Gas Plc (AIM: MOG) advises that on August 11, 2010, Legislative Decree no. 128, dated June 29, 2010, amending the Italian Environmental Code (decree no. 152/2006), was published in the Official Journal of the Italian Republic (the "Decree"). The Decree will come into force on August 26, 2010.

The Decree prohibits, among other things, offshore exploration and production activities for liquid hydrocarbons within 5 miles of the Italian coast, applying to ongoing authorisation procedures relating to those activities. The Ombrina Mare oil and gas field is located less than 5 miles from the Italian coastline. However, given there are exemptions to the Decree which the Company believes may be applicable, it remains unclear whether the Decree operates to prohibit further development of the Ombrina Mare field. The Company, in conjunction with legal counsel, is therefore investigating the legal position.

The Company will also request clarification from the Italian authorities regarding the interpretation of the Decree in relation to the Ombrina Mare project. Pending receipt of formal clarification, MOG plans to continue the current environmental assessment procedure, with the aim of securing the production concession. In any event, should the environmental assessment process be adversely affected by the Decree, MOG will consider possible action to challenge the Decree.

In addition, the Company is also evaluating the technical and economic feasibility of alternative solutions to develop the Ombrina Mare field.

Sergio Morandi, Chief Executive of MOG, commented:

" MOG will continue to work actively with environmental and local authorities, as well as the Italian Government, with the aim of obtaining clarification on the decree and its interpretation, as well as identifying solutions enabling development of the Ombrina Mare field.

The Company remains committed to defending the significant investments which have already been undertaken by it at the Ombrina Mare field, assessing likely delays in obtaining all the residual ongoing authorizations, and bringing the Ombrina Mare field to production at the earliest opportunity.

However, given publication of the decree, it is expected that issuance of the production concession will take longer than previously forecast."

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