

2 June 2010

[AIM: MOG]

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

Loan Facility Extension

Credit Facility Extension to 2 September 2011

Mediterranean Oil & Gas plc, an oil and gas exploration and production company focused on Italy and the central Mediterranean region, announces today the entry into an amendment agreement with Bank of Scotland Plc ("BoS") ("the Amendment Agreement"), in relation to the €18,000,000 credit facility agreement previously entered into between the Company, Medoigas Italia S.p.A. as Guarantor, and BoS, on 3 March, 2008 ("the Credit Facility").

Under the Amendment Agreement, the required date for repayment of the principal amount owing by MOG under the Credit Facility has been extended from 2 September 2010 to 2 September 2011 ("Final Maturity Date").

The margin over Euribor which will be payable by the Company under the Credit Facility will remain at the current margin until 3 September 2010, and will increase incrementally on a quarterly basis thereafter.

The covenants under the Amendment Agreement are substantially the same as those previously applicable under the Credit Facility save that the commitment fee payable in relation to the non-utilisation of funds will increase, on and from 3 September 2010, from the present 1.00 per cent per annum to 50 per cent of the applicable margin over Euribor, payable in respect of undrawn funds under the Credit Facility.

The additional liquidity provided by the extension of the Credit Facility allows the Company to retain access to undrawn funds of approximately €9,417,000 presently remaining within the €10,000,000 Tranche A of the Credit Facility, and in turn, fund expected capital expenditure commitments for the next 12 months, in relation to the Company's 20% interest in the Guendalina project (ENI operator). Further, the Credit Facility provides the Company with additional flexibility, given that the operator has re-scheduled the expected timing for first gas to September 2011.

In light of an increase in estimated capital expenditure to fund the Company's interest in the Guendalina project from €10.0m to approximately €14.5m, and further, the requirement for a VAT funding facility of approximately €3.0m, the Company is actively engaged in dialogue with a range of potential funding providers, in order to secure a longer term financing solution for its interest in the Guendalina project.

Michael Bonte-Friedheim, Non - Executive Chairman, commented:

"We are very pleased to have extended our loan agreement with BoS to support the Guendalina project. This extension allows the Company to focus on progressing key

