

## **Mediterranean Oil & Gas Plc (“the Company”)**

16 November 2007

### **Exercise of Options**

The Company today announces that it has issued and allotted 2,000,000 new ordinary shares of 20p each (“New Ordinary Shares”), pursuant to an exercise of options at a total price of £1,920,000 (equivalent to €2,713,000 at an average price of £0.96 per share) by Transcontinental Investments Pty Ltd (“TRG”) and Canopy Investments Limited (“Canopy”).

The New Ordinary Shares will rank *pari passu* with the existing ordinary shares of 20p each in the Company (“Ordinary Shares”). Trading of the New Ordinary Shares on AIM is expected to commence on 23 November 2007.

The exercised options were granted pursuant to a Subscription Share Option Agreement (“Option Agreement”) between TRG and the Company dated 20 May 2005. All 5,000,000 options granted pursuant to the Option Agreement have now been exercised at an average exercise price of £1.08 per share.

Following this exercise of options the Company’s share capital will comprise 38,612,736 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company following the allotment and issue of the New Ordinary Shares is 38,612,736. The Company’s cash balance now stands at €19 million.

### **Director’s Dealings and Change in Significant Shareholders**

In accordance with Rule 17 of the AIM rules in respect of director’s dealings the Company was today advised:

1. Director: Mr. Anthony A. Trevisan - The Company has been advised that TRG, of which Mr. Trevisan is a director and controller, has acquired through the exercise of options a further 1,000,000 Ordinary Shares and returned 2,368,000 Ordinary Shares borrowed from Parkplace Finance Ltd (as announced on 24 October 2007). The average price of the shares acquired pursuant to the latest exercise of options was £0.84 bringing the overall average price of shares acquired by TRG pursuant to the Option Agreement to £1.08.

TRG has also advised the Company that it has transferred 75,000 Ordinary Shares to Mr Bonte-Friedheim at a price of £1.20 per share.

The number of Ordinary Shares held by TRG immediately post these transactions is 1,950,278.

Total percentage holding of the issued class post acquisition is 5.1%

2. Director: Mr. M. Bonte-Friedheim - The Company has been advised that Mr. M. Bonte-Friedheim acquired 75,000 Ordinary Shares from TRG as set out above.

