

## **MEDITERRANEAN OIL & GAS PLC (the “Company” or “MOG”)**

26 July 2007

### **FRANCE – DRILLING PERMIT FOR GRENADE-3 WELL**

The Board of Mediterranean Oil & Gas Plc (AIM: MOG) is pleased to announce that a significant milestone has been achieved in the St. Laurent Petroleum Licence (the “Licence”) with receipt of approval for the drilling of the Grenade-3 well from the DRIRE Landes, the French permitting authority.

Malta Oil Pty. Ltd. (MOL), a wholly owned subsidiary of MOG, owns an 11.154% interest in the oil and gas exploration and exploitation Licence which is located in southwest France. MOL is partner with Egdon Resources (operator with 33.423%) Sterling Resources (33.423%) and Nautical Petroleum Plc (22.00%) (“the Partnership”).

The Licence covers circa 650 km<sup>2</sup> of an onshore area located in the Aquitaine Basin, a basin containing some of Europe’s largest onshore oil and gas fields. In particular, the Licence area includes the unexploited Grenade heavy oil field discovered by Elf in the 1970’s.

Following the acquisition and interpretation of 3D and 2D seismic delineation surveys within the Grenade field’s area, the Partnership has re-evaluated the best estimate STOIP for the field to 300 MMstb oil (range 95 to 945 MMstb).

The Grenade-3 well is designed to confirm the oil column and subsequently, with a horizontal sidetrack through the main reservoir, to confirm the well deliverability via a production test. With success at Grenade-3 a pilot production project is planned using Quadrise Fuels plc’s MSAR process with options for a range of possible enhanced recovery methods, including CO<sub>2</sub> injection and sequestration.

A drilling rig has been secured while the site construction is due to commence shortly and long lead items are being procured to enable the well to begin drilling as planned during October 2007.

### **QUALIFIED PERSON**

Giovanni Catalano (a director of the Company) holds a masters degree in geology and has had over twenty-five years in the upstream oil and gas industry. His last position held was with Woodside Energy Pty Ltd, Perth, Western Australia as Business Development Manager – Far East. Prior to Woodside (where he was for seven years), Mr Catalano was with AGIP for nine years and LASMO International for 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**

MMstb	Million stock tank barrels
SPE/WPC	Society of Petroleum Engineers/World Petroleum Congress
STOIP	stock tank oil initially in place

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