

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

28 March 2008

Unaudited Interim Results for the six month period ending 31 December 2007

The Board of Mediterranean Oil & Gas Plc (AIM: MOG) are pleased to present the Company's Interim Report and Financial Statements for the half year ending 31 December 2007.

HIGHLIGHTS FOR THE SIX MONTH PERIOD

FINANCIAL

- Net assets increased 31% from 30 June 2007
- Production costs reduced compared to six months to 30 June 2007
- Strong cash reserves and high operating margins during the period (gross profit equivalent to 60% of revenue)
- High and increasing gas prices in Italy – USD 12 per Mcf at 31 December 2007 and now USD 13 per Mcf

OPERATIONS

- Production volumes maintained
- Exploration and development programme commenced:
 - The appraisal of Ombrina Mare Oil and Gas Field,
 - Gearing up for the exploration well on the Monte Grosso oil prospect.
 - Continued development of the Guendalina Gas Field.
 - Exploration and appraisal operations in Tunisia, Italy, Malta and France.
- Grant of a further 5 Italian exploration permits.

POST INTERIM EVENTS

- Certification of 5 MMbbls of proved and probable oil reserves at Ombrina Mare
- Spudding of the Ombrina Mare 2 appraisal well and the Teborsouk 1 exploration well.
- Completion of an €18million credit facility with the Bank of Scotland.
- Acquisition of JKX Italia Ltd (now renamed Medoilgas Civita Ltd).
- Completion of the exploration study on blocks 4, 5, 6 & 7 of Area 4 Offshore Malta and commencement of negotiations to finalise a production sharing contract.

Chairman Michael Bonte-Friedham commented:

“The progress the Company made during the interim period means it is now in a better position, financially and operationally, for the significant growth path planned. The Company has good gross profit margins from its Italian production, continuing strong cash reserves and access to the recently announced credit facility with the Bank of Scotland.”

The jewel in the crown of our broad range of exploration and development assets is the Ombrina Mare Oil and Gas field. The certification of 5 MMbbls of proved and probable reserves and the spudding of the OM2 appraisal well, to add to those reserves from the contingent oil and gas resources in place, are landmarks in the development and expansion of the Company.”

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MEDITERRANEAN OIL & GAS PLC

Unaudited Interim Results for the Six Month Period Ending 31 December 2007

Chairman's Statement

Dear Shareholders,

Your Company has continued to make substantial operational progress during the interim period. As a consequence it is now better positioned financially and operationally for the significant growth path that we have planned for it.

Operational progress is clearly evident from the intensive drilling programme underway, the cost of which is underpinned by our strong working capital position.. The Company's good margins from our Italian production, continuing strong cash reserves and access to the recently announced credit facility with the Bank of Scotland are funding a substantial exploration programme which would normally be more synonymous with a much larger organisation.

We have trebled our staffing of technical employees in a tight labour market, moved the Rome office to larger premises to accommodate our new workforce, successfully sourced drilling rigs where our peers have failed and have very recently spudded the Ombrina Mare 2 ("OM2") appraisal well off the Italian Adriatic coast. It is a credit to the quality of our team and assets and indicative of the Company's ambition to expand, that the Company is the only oil independent to drill a well in Italian waters, OM2, for over twenty five years.

Our Italian production continues to deliver good gross profit margins and production costs have been reduced despite the increased management focus required for our exploration programme. The exploration and development programme now underway includes the appraisal well of the Ombrina Mare Oil and Gas Field (MOG Operator), gearing up for drilling Monte Grosso 2 (MOG Operator) the continuing development of the Guendalina Gas Field, and ongoing appraisal and exploration operations in Italy, Tunisia, Malta and France. There will be consistent news flow for the foreseeable future from this broad suite of major projects we have undertaken to expand our business.

The jewel in the Company's crown is the Ombrina Mare Oil and Gas Field which the Company entirely owns and operates. We have recently announced that independent reserve engineers have certified approximately 5 MMbbls of proved and probable oil reserves in the field associated with the discovery well, OM1. The OM2 appraisal well has just spudded and is aimed at proving up additional reserves from the field's contingent oil and gas resources.

Despite the magnitude of our exploration and development programme by which we hope to continue to grow the Company organically, we have not lost sight of the need to constantly pursue attractive opportunities to expand our exploration and development portfolio and to leverage our operational and exploration capability in Italy through merger or acquisition. We have been granted another five Italian exploration permits during the interim period and shortly after this period, completed the acquisition from JKX Oil & Gas plc of the company that housed its Italian assets, which has now been renamed Medoilgas Civita Ltd.

Italian Oil & Gas Reserves

Subsequent to the end of the interim period the Company instructed independent reserves engineers, Studio Ingegneria Mineraria ("SIM"), to assess and certify the Company's Italian oil and gas reserves as is required by a covenant in our credit facility with the Bank of Scotland.

SIM reassessed the Ombrina Mare Oil and Gas Field data ahead of drilling OM2 utilising current economic and geological data and projections. Consequent on their assessment of the field, SIM certified 5 MMbbls of proved and probable oil reserves associated with the OM1 discovery well.

Certification of the first 5 MMbbls of proved and probable oil reserves at the Company's 100% owned Ombrina Mare project is a landmark on our path to developing the field and the Company progressing towards its goal of being a medium sized producer.

SIM also certified that as at the end of the interim period the MOG Group (including Medoilgas Civita Ltd) has proved and probable gas reserves of 10 Bcf in its Italian acreage. This is slightly down from the Company's assessment of 11 Bcf at the beginning of the interim period. In the Company's view SIM's assessment in large part reflects the conservative approach taken by SIM in keeping with their instructions to prepare a report to satisfy banking covenants in the Company's facility with the Bank of Scotland.

Ombrina Mare

At the time of this report the Jack-Up Rig MV Galloway has just spudded OM2. The OM2 well is designed to appraise the Ombrina Mare Oil and Gas Field's reservoir characteristics to confirm the extension of the field and verify the feasibility of incrementally increasing production rates from the field.

By appraising the extent of the field extension we hope to be able to verify the presence and recoverability of the field's contingent oil resources (best estimate 23 MMbbls and high estimate 60 MMbbls) and contingent gas resources (best estimate 5 Bcf and high estimate 9 Bcf) in the Ombrina Mare Oil and Gas Field. If OM2 is successful we anticipate being able to add some of these contingent oil and gas resources to the existing 5 MMbbls of certified proved and probable oil reserves. Our Rome team will then establish the most appropriate development plan to optimally exploit the field and we will seek to develop it as quickly and efficiently as possible.

Tunisia

The Teboursouk 1 ("TEB1") exploration well is currently underway. TEB1 is the first exploration well on the Teboursouk prospect located in the southern part of the Medjerda Permit. It is designed to evaluate geological concepts for the area which may lead us to the source of significant oil seeps present in the permit area.

The Company has a 25% interest in this very large and substantially under-explored on-shore permit in Tunisia. The permit Joint Venture, operated by Range Petroleum Ltd, has agreed to undertake further seismic over the permit particularly in relation to identified structures in the northern part of the permit.

Expansion of Operations

We have continued our policy of expanding our operations on-shore Italy by acquiring additional reserves to replace production. This strategy allows us to utilise our existing operational base and expertise for marginal incremental cost. We are able to benefit from the favourable market and infrastructure in Italy which keep low the threshold economics required for the Group to bring new projects into production.

The Company acquired JKX Oil & Gas Plc's Italian assets by buying, the now renamed, Medoilgas Civita Ltd.

Medoilgas Civita's assets include an additional gas development project this year – the Civita gas field in the Aglavizza pre-awarded production concession which has proved and probable gas reserves of 1.1 Bcf. We expect to be able to commence production from the Civita Field in approximately one year and it should pay back the full acquisition cost from the existing 2P reserves.

In addition to the 2P gas reserves, the Medoilgas Civita acquisition provided, net to the Company, best estimate prospective gas resources of 8 Bcf in the, Montalbano and Civita exploration permits.

The Group also added to its Italian exploration acreage by being awarded the Italian exploration permit Sulmona (100% MOG) and pre-awarded exploration permits Villa Mazzarosa and Serra

dei Gatti (100% MOG) and interests in pre-awarded exploration permits Villa Carbone and Colle dei Nidi.

The Company completed the exploration study required by the Exploration Study Agreement ("ESA") over blocks 4,5,6 and 7 of Area 4 offshore Malta. The study supported the prospectivity of the area covered by the permit for large hydrocarbon deposits. The Company is negotiating to enter into a production sharing contract ("PSC") over the area and anticipates being able to finalise the PSC during the next quarter.

Due to the recently called national and provincial elections in Italy the final drilling permits for the Monte Grosso exploration well may be delayed but we still expect to spud in the current year. We will update the market as the position develops.

Subsequent to the period the Company was advised of the failure of the well in the Grenade oil field. The Company has a relatively minor interest in the field which is one of smaller and non-operated assets. The joint venture is reconsidering options for the field.

Production

The average price for our gas was strong and increasing through the interim period. The contract price under our major supply agreement peaked at the end of the period at approximately USD12 per Mcf at then exchange rates. The gas price is set on a formula based on oil prices over the 6 months prior to gas delivery and consequently much of the impact of the rise in oil prices in late 2007 has been reflected in even higher gas prices since the end of the interim period.

The gas production rate during the interim period was similar to the previous year at approximately 0.34 Bcf for the 6 months (0.35 Bcf for the 6 months to 31 December 2006).

Financials

To effectively manage the works programme the Company's main operating subsidiary, Medoilgas Italia S.p.A. (formerly named Intergas Piu S.r.l.), has expanded its personnel and operations significantly. Despite the increase in personnel, production costs were contained. The cost of sales at €995,000 compares with €1,139,000 for the six months to the end of June 2007. Revenue for the interim period from gas and condensate sales and operatorship was €2,475,000 compared with €2,406,000 for the six months to 30th June 2007.

Administrative expenses were substantially affected by a net accounting loss of €869,000 due to the conversion, for accounting purposes, of the Company's non-Euro holdings to Euros. The conversion for accounting purposes of the Company's GBP holdings to Euro's resulted in the majority of the loss. However this accounting position does not reflect a significant diminution of the Group's purchasing power. A substantial portion of the Group's near term costs are denominated in USD - primarily related to drilling rig and materials contracts. The majority of our GBP holdings will be utilised in non-Euro expenditure and when allowance is made for currency movements against the US dollar and the portion of cash required in sterling the actual impact of the depreciation of the GBP against the Euro is greatly reduced.

Balance Sheet and Cash Reserves

The Company's balance sheet was significantly strengthened during the interim period by the conversion of 5 million options at an average price of £1.08 per share. Total net assets consequently rose 31% since 1 July 2007.

The Company has a strong cash position relative to many of our peers. At the balance sheet date we had €18 million in cash reserves and subsequently have closed an €18 million secured debt facility with the Bank of Scotland.

During the interim period the Group's cash flow from its Italian production was in part utilised to pay approximately €3 million related to exploration and other costs of a capital nature accrued from the previous financial period. Our strong cash flow from Italy is of great benefit in

maintaining our corporate operations and financing our expansion programme in the face of the instability in world equity and debt markets.

The Company maintains its cash reserves in term deposit bills or operating current accounts with major trading banks (primarily HSBC and Allied Irish) which have a minimum long term senior debt credit rating of single A with a stable outlook.

Michael Bonte-Friedheim
Non-Executive Chairman

Qualified Person and Compliance with SPE Standard

Sergio Morandi (a director of the Company) holds a first class honours degree in geology from La Sapienza University (Rome) and has over twenty seven years E & P experience spent in oil and gas exploration and operations management and seismic data acquisition, processing and interpretation with ENI, Coparex, ELF, Enterprise Oil, Shell Italia E&P and Shell International E&P. Mr Morandi's last position held was as International Geophysical and Business Advisor with Shell International E&P at EPTS - Centre of Expertise in The Netherlands. His earlier roles include Head of Exploration for Shell Italia E&P and as Head of Exploration, and Chief Geophysicist for Enterprise Oil Italiana. Mr Morandi has been a lecturer in Applied Seismology at the Basilicata University in Italy, is a board member of Associazione Mineraria Italiana, is a current member of the European Association of Geoscientists and Engineers, registered member number 563 of the Lazio Geologists' Order and a registered geological adviser to the Rome and Viterbo Tribunals in Italy. 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

Reserves	has the meaning ascribed in the SPE definitions
Proved and probable oil/gas reserves	has the meaning ascribed in the SPE definitions
Contingent oil/gas resources	has the meaning ascribed in the SPE definitions
Prospective oil/gas resources	has the meaning ascribed in the SPE definitions
2P reserves	proved plus probable reserves
Bcf	billion cubic feet of gas
Mcf	thousand cubic feet
bbls	stock tank barrels of oil
MMbbls	million stock tank barrels
SPE/WPC	Society of Petroleum Engineers/World Petroleum Council

MEDITERRANEAN OIL & GAS PLC

Consolidated Income Statement

	6 month period ended 31 December 2007 (unaudited) €'000	6 month period ended 31 December 2006 (unaudited) €'000	12 months ended 30 June 2007 (audited) €'000
Revenue	2,475	2,516	4,922
Cost of sales	(995)	(580)	(1,719)
Gross Profit	1,480	1,936	3,203
Other operating income	46	-	95
Depreciation, depletion & amortisation	(627)	(746)	(1,618)
Impairment	-	-	(2,158)
Other administrative expenses	(1,302)	(1,057)	(2,742)
Total administrative expenses	(1,929)	(1,803)	(6,518)
Profit/(loss) from operations	(403)	133	(3,220)
Unwinding of discount on provisions	(242)	-	(438)
Other financial costs	(186)	(227)	(443)
Foreign exchange loss	(870)	-	-
Total financial costs	(1,298)	(227)	(881)
Other finance income	376	376	1,495
Foreign exchange gain	-	388	385
Total finance income	376	764	1,880
Profit/(loss) before tax	(1,325)	670	(2,221)
Tax expense	-	(280)	(287)
Profit/(loss) for the period	(1,325)	390	(2,508)
Earnings per share attributable to the equity holders of the parent	(0.04)	0.01	(0.07)
Diluted profit/(loss) per share	(0.04)	0.01	(0.07)

MEDITERRANEAN OIL & GAS PLC

Consolidated Statement of Changes in Equity

	6 month period ended 31 December 2007 (unaudited) €'000	6 month period ended 31 December 2006 (unaudited) €'000	12 months ended 30 June 2007 (audited) €'000
At 1 July	20,691	22,693	22,693
Exchange differences arising on translation of foreign operations	-	7	11
Net loss recognised directly in equity	-	7	11
Profit/(loss) for the period	(1,325)	390	(2,508)
Total recognised income and expense for period	(1,325)	397	(2,497)
Shares issued	1,427	-	-
Share premium reserve	6,279	-	-
Total raised by share issue	7,706	-	-
Share based payments	133	243	495
At end of period	27,205	23,333	20,691

MEDITERRANEAN OIL & GAS PLC

Consolidated Balance Sheet

	31 December 2007 (unaudited) €'000	31 December 2006 (unaudited) €'000	30 June 2007 (audited) €'000
Assets			
Non-current assets			
Property, plant and equipment	11,079	15,980	9,304
Intangible assets	7,942	2,977	9,367
Financial assets	34	34	34
Deferred tax assets	80	80	80
Total non-current assets	19,135	19,071	18,785
Current assets			
Inventories	1,137	472	1,130
Trade and other receivables	2,800	2,485	3,298
Cash and cash equivalents	18,289	16,310	14,878
Total current assets	22,226	19,267	19,306
Total assets	41,361	38,338	38,091
Liabilities			
Current liabilities			
Trade and other payables	2,534	2,479	5,657
Other financial liability	11	22	84
Corporation tax liability	343	410	278
Total current liabilities	2,888	2,911	6,019
Non-current liabilities			
Financial liabilities	6,021	6,987	6,378
Provisions	5,247	5,107	5,003
Total non-current liabilities	11,268	12,094	11,381
Total liabilities	14,156	15,005	17,400
Total net assets	27,205	23,333	20,691

MEDITERRANEAN OIL & GAS PLC

Consolidated Balance Sheet (Continued)

Capital and reserves attributable to equity holders of the Company	31 December 2007 (unaudited) €'000	31 December 2006 (unaudited) €'000	30 June 2007 (audited) €'000
Share capital	11,210	9,783	9,783
Share premium reserve	19,806	13,527	13,527
Share option reserve	958	932	1,184
Convertible debt option reserve	68	68	68
Foreign exchange reserve	-	(4)	-
Retained losses	(4,837)	(973)	(3,871)
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Total Equity	27,205	23,333	20,691
	=====	=====	=====

MEDITERRANEAN OIL & GAS PLC

**Consolidated Cash Flow Statement
For the six month period ended 31 December 2007**

	6 month period ended 31 December 2007 (unaudited) €'000	6 month period ended 31 December 2006 (unaudited) €'000	12 month period ended 30 June 2007 (audited) €'000
Cash flows from operating activities	(2,282)	946	2,491
Investing activities			
Payments for property, plant and equipment, intangible assets, capitalised oil and gas properties and exploration costs	(978)	(856)	(4,141)
Interest received	376	376	783
Net cash used in investing activities	(602)	(480)	(3,358)
Financing activities			
Issue of share capital	7,707	-	-
Capital element of finance lease rental payments	-	(10)	-
Interest paid	(2)	(216)	(322)
Net cash received from financing activities	7,705	(226)	(322)
Net increase/(decrease) in cash for the period	4,821	240	(1,189)
Exchange differences relating to cash and cash equivalents	(1,410)	388	385
Cash and cash equivalents at beginning of the period	14,878	15,682	15,682
Cash and cash equivalents at end of the period	18,289	16,310	14,878

MEDITERRANEAN OIL & GAS PLC

Notes to the consolidated financial information

1. Accounting Policies and Presentation of Financial Information

The interim financial information in this report is prepared on the basis of the accounting policies set out in the 2006 Annual Report and Accounts and using accounting policies consistent with IFRS. As permitted, the group has chosen not to adopt IAS 34 'Interim Financial Reporting'. The interim financial information for the six months ended 31 December 2006 and 31 December 2007 is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The 2007 Annual Report and Accounts, which received an unqualified opinion from the auditors, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies. The comparatives for the full year ended 30 June 2007 are not the Company's full statutory accounts for that year.

Administrative expenses, finance costs and finance income for the periods ended 30 June 2007 and 31 December 2006 have been adjusted for a reclassification of foreign exchange gains and losses as the gains and losses are considered to be financing in nature. There has been no impact on profit before tax and earnings per share.

2. Cash and Cash Equivalents

	31 December 2007 (unaudited) €'000	31 December 2006 (unaudited) €'000	30 June 2007 (audited) €'000
Cash and cash equivalents comprises:			
Cash available on demand	4,587	2,560	1,373
Short-term deposits	13,702	13,750	13,505
	<u>18,289</u>	<u>16,310</u>	<u>14,878</u>
	=====	=====	=====
Net increase/(decrease) in cash and cash equivalents	4,821	240	(1,189)
Cash and cash equivalents at beginning of year	14,878	15,682	15,682
Exchange differences relating to cash and cash equivalents	(1,410)	388	385
	<u>18,289</u>	<u>16,310</u>	<u>14,878</u>
	=====	=====	=====

3. Cash flows from operating activities

	31 December 2007 (unaudited) €'000	31 December 2006 (unaudited) €'000	30 June 2007 (audited) €'000
Operating activities			
Net profit/(loss) from ordinary activities	(1,325)	390	(2,508)
Adjustments for:			
Depreciation and impairment	626	746	3,776
Employee provisions	-	(27)	-
Exchange adjustments	869	(381)	(385)
Share-based payments	133	243	495
Investment income	(376)	(376)	(1,495)
Interest expense	428	227	881
Tax expense	-	280	287
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Operating profit before changes in working capital and provisions	355	1,102	1,051
Increase in inventories	(7)	(35)	(693)
(Increase)/decrease in trade and other receivables	499	(24)	(837)
Increase/(decrease) in trade and other payables	(3,131)	26	3,249
Increase/(decrease) in provisions	2	-	(17)
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Cash generated from operations	(2,282)	1,069	2,753
Income taxes (paid)/received	-	(123)	(262)
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Cash flows from operating activities	(2,282)	946	2,491
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4. Events since the balance sheet

The Company acquired the entire issued capital in JKX Italia Ltd (now renamed Medoilgas Civita Ltd) for €2,000,000. Provisional fair values of assets acquired include an Italian VAT reclaim for €400,000 and property, plant and equipment and oil and gas properties of €1.6m.

The Company entered into a €18 million secured credit facility with the Bank of Scotland.

SIM, an independent petroleum resources assessor, certified proved and probable reserves of 5 MMbbls of oil associated with the OM1 discovery well on the Ombrina Mare Oil and Gas Field.