



1 February 2012

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

**Guendalina Gas Field, Italy**

**Independent Reserves Certification: 42% increase in 2P reserves**

**Concession AC 35 AG - Guendalina Gas Field (MOG interest 20%, ENI 80% and Operator)**

Mediterranean Oil & Gas Plc (AIM: MOG), the central Mediterranean producer, developer and explorer of oil and gas assets, is pleased to announce the results of an independent valuation of gas reserves at the Guendalina gas field.

The study was carried out by RPS Energy Limited ("RPS"), following the start of gas production at the Guendalina gas field on the 25<sup>th</sup> October 2011, and provides an updated view of potential recoverable reserves and asset value.

All Reserves and Resources volumes shown in RPS's Competent Persons Report ("CPR") have been classified and presented in accordance with the 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System.

RPS's CPR shows revised 2P recoverable reserves of 31.2 Bcf (6.2 Bcf net to MOG), representing an increase of 42% relative to the previous pre-development valuation of 22 Bcf (4.4 Bcf net to MOG). RPS also estimates P3 reserves of 40.3 Bcf (8.1 Bcf net to MOG). Further, RPS provides an economic valuation of MOG's 2P net reserves, in which the NPV, using a 10% discount rate, is €27.2 million.

The results of RPS's independent valuation are as follows:

Reserves	Gross Reserves (100% basis)		Net to MOG Reserves (20% basis)		Net to MOG Reserves Entitlement after Royalties (20% basis)	
	Mscm	Bcf	Mscm	Bcf	Mscm	Bcf
<b>Proved Reserves (1P)</b>	669	23.6	<b>134</b>	<b>4.7</b>	129	4.6
<b>Proved plus Probable Reserves (2P)</b>	882	31.2	<b>176</b>	<b>6.2</b>	170	6.0
<b>Proved plus Probable plus Possible Reserves (3P)</b>	1,142	40.3	<b>228</b>	<b>8.1</b>	220	7.8

The Guendalina gas field is located 47km offshore of the northeast coast of Italy, in 42m of water. The current average gas production from the field is approximately 21 MMcf/day (100% basis); 4.2 MMcf/day net to MOG.

Sergio Morandi, CEO/Chief Operating Officer of Mediterranean Oil and Gas, commented:

“We are very pleased to announce that, following the successful start-up of the Guendalina field last October, daily gas production is meeting our pre-development forecasts. Guendalina’s good production rate, combined with RPS’s independent valuation which increases our recoverable 2P reserves by 42%, is a key milestone for the development of our business plan and significantly increases the Company’s net production and revenues.”

#### QUALIFIED PERSON

Sergio Morandi holds a first class honours degree in Geology and has over thirty years E&P experience with ENI, Coparex, ELF, Enterprise Oil and Shell. He was a lecturer in Applied Seismology at the Basilicata University (Italy) for 7 years, and is a board member of Associazione Mineraria Italiana and a registered member of the Italian Geologists' Order. Sergio Morandi, in his capacity as a qualified person under the AIM guidance Rules has reviewed and approved the technical information in this announcement, which is in accordance with the SPE/WPC standards.

ENQUIRIES:

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Clare Gilbey

## Glossary

- Sqkm: Square kilometers
- Scm: Standard cubic meter
- Bcf: Billion cubic feet of gas
- Mcf: Thousand cubic feet of gas
- MMcf: Million cubic feet of gas
- MMscm: Million standard cubic meters
- 1P: Proven Reserves as defined in the SPE/WPC Standard
- 2P: Proven plus Probable Reserves as defined in the SPE/WPC Standard
- 3P: Proven plus Probable plus Possible Reserves as defined in the SPE/WPC Standard
- Prospective oil/gas resources has the meaning ascribed by the SPE/WPC Standard
- SPE/WPC: Society of Petroleum Engineers/World Petroleum Congress
- DHI: Direct Hydrocarbon Indicators