



**8 November 2011**

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

**Update on Malta, Offshore Area 4 PSC**

The Board of Mediterranean Oil & Gas Plc (AIM: MOG), the central Mediterranean focused producer, developer and explorer of oil and gas assets, announces that it has entered into a short term secured loan with affiliates of certain of our substantial shareholders, namely affiliated investment funds of Och-Ziff Capital Management Group ("Och Ziff"), for up to €3.5million (the "Loan").

The proceeds of the Loan will assist the Company in funding the payment of fees to a specialist seismic contractor which will undertake the acquisition of 1,000 square kilometres of 3D seismic exploration data on behalf of the Company, in relation to its licence commitment at Area 4 Offshore Malta, under the Malta Production Sharing Contract signed with the Maltese Government on 18th July 2008 and its Addendum signed on 17th May 2011 (the "Licence").

The Company is currently in negotiations with a seismic contractor and expects shortly to enter into a contract in order that 3D seismic acquisition activity may commence prior to the end of November 2011. The Company expects to update shareholders confirming the selection of the seismic contractor, shortly.

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

*"We are extremely pleased to have arranged the necessary funding for undertaking 3D seismic exploration activity at Malta Offshore Area 4, and look forward to obtaining the results towards the end of Q1, 2012.*

*Given the farm out of a part interest in the Licence did not complete earlier in the year due to factors beyond the Company's control, and the Company's obligation to acquire 1,000 sq km of 3D seismic data prior to January 18, 2012, entry into the Loan with Och Ziff enables the Company to retain its 90% interest in the Licence, while meeting its Licence commitments. This also preserves the Company's flexibility to consider further options once the seismic acquisition program and associated data analysis has been completed.*

*Malta Offshore Area 4 has some very large structures and the 3D seismic acquisition will, subject to receipt of positive results, enable us to devise a drilling campaign. We are also delighted by the significant support and commitment shown to us by Och Ziff."*

The initial term of the Loan is eight months and the interest rate payable is 12% per annum. The Loan may be extended for a further 4 months at a rate of 14% per annum, at the option of the Company. The Loan is secured by a pledge over the entire issued share capital of Medoilgas Italia SpA, a wholly owned subsidiary of the Company.

The Loan constitutes a Related Party Transaction pursuant to the AIM Rules. The Directors of MOG consider, having consulted with Panmure Gordon (UK) Limited, MOG's nominated

adviser, that the terms of the Loan, as set out, are fair and reasonable insofar as its shareholders are concerned.

#### QUALIFIED PERSON

Sergio Morandi (a director of the Company) holds a first class honours degree in geology from La Sapienza University (Rome) and has over thirty 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 is 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.

#### ENQUIRIES:

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