



1 August 2011

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

Update on Italy, Guendalina Gas Field and Malta, Offshore Area 4

1. Italy – Concession AC 35 AG - Guendalina Gas Field (MOG interest 20%, ENI 80% and Operator)

The field development program continues to progress on schedule. The latest information received from ENI, the operator, is summarised below.

The drilling phase terminated successfully and on schedule, with two development wells, Guendalina 2Dir ("GUE2Dir") and Guendalina 3 ("GUE3"), both completed as gas producers. The Transocean jack-up rig, "GSF Key Manhattan", left the drilling location on 14th July 2011.

The Gue 2Dir and Gue 3 wells have been drilled respectively to target depths of 3290m and 3164m. All the expected gas bearing levels have been encountered and logged and the wells prepared for production.

On well GUE2Dir, the level PL3-J3 has been completed for production, while the deeper exploration gas target (PL3-K) has not been completed. This level will be subject to future additional G&G studies (seismic inversion) to assess potential future development.

GUE3 confirmed that the two main gas targets, PL3-I1 & PL3-J3, are gas bearing. Moreover, an additional gas level (PL3-J), which was not included in the original development plan, was also positively evaluated and will be completed to production.

The layout of the sea line to connect the Guendalina platform to the other existing ENI offshore gas production infrastructure has been completed. The platform Deck installation was also completed on 27th July 2011. First gas remains on schedule between 25th September 2011 and 5th October 2011.

2. Malta - Offshore Area 4 PSC

Further to the statement released on 24 June 2011, announcing that Mediterranean Oil and Gas had entered into an Execution Agreement with Dominion Petroleum Limited ("Dominion Petroleum") to farm-out a 75% operated working interest in the production sharing contract for Blocks 4, 5, 6 and 7 of Area 4 Offshore Malta, MOG has been informed by Dominion Petroleum that Dominion Petroleum is not able to complete the transaction due to the relevant resolutions not being passed at Dominion Petroleum's SGM on 25 July 2011.

MOG is to receive a non-refundable payment of US\$225,000 from Dominion Petroleum.

MOG will review its alternatives concerning Malta Offshore Area 4. Further announcements will be made in due course.

Michael Bonte-Friedheim, Chief Executive of Mediterranean Oil and Gas, commented:

“We are extremely pleased regarding the progress at Guendalina, with current estimates for timing and expenditures in line with previous expectations. With regard to Malta, we are encouraged by the fact that a specialist explorer such as Dominion recognised the attractiveness of Area 4, which supports our own belief in the prospect.”

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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