

18 April 2011

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

Operational Update

The Board of Mediterranean Oil & Gas Plc (AIM: MOG), the central Mediterranean focussed producer, developer and explorer of oil and gas assets, is pleased to provide the following operational update on the Guendalina Gas Field.

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

The Operator, ENI, has informed the Company that following the installation of the platform jacket which was successfully completed in March, the Transocean jack up rig ,“GSF Key Manhattan”, commenced drilling of the two development wells Guendalina 2D (“Gue 2D”) and Guendalina 3 (“Gue 3”) on 7th April 2011 . The two wells are being drilled in parallel, by implementation of the “skid drilling” technique.

To date:

- the Gue 2D well has been drilled to a depth of 400 meters. The set up of the casing has been completed.
- The Gue 3 well has been drilled to a depth of 350 meters. The set up of the casing is ongoing.

The planned total depth of the Gue 2D well is 3,290 meters (3,225 meters true vertical depth) , while the planned total depth of the Gue 3 well is 3,190 meters. The Pliocene gas sand levels are expected to be encountered from a depth of about 3,000 meters.

ENI estimates that the drilling campaign, including completion of the two wells for production, will be completed by the end of July 2011. In parallel, the construction of the platform deck is progressing. Its installation is forecast to occur immediately after the completion of the development drilling phase.

Based on the information received from ENI, the Guendalina field development plan is progressing on schedule and “first gas” is forecast in September 2011. Pictures of the launch, installation of the jacket and the construction of the deck can be viewed on the Company’s website.

Background:

The Guendalina gas field is located 47 km off of the northeast coast of Italy in 42 meters of water, outside the offshore restricted area for E&P activities, which was introduced in August 2010 by the Italian Government.

ENI has independently certified 2P gas reserves of 22 Bcf (4.5 Bcf net MOG). An additional 5 Bcf (1.0 Bcf net MOG) of potential gas resources will be assessed during the current development drilling campaign by the Gue 2D well. Based on studies performed by ENI, the aggregate gas production from the field is expected to be around 20 MMcf/day (100% basis); 4MMcf/day net to the Company.

Funding

As announced on 3 March 2011 it is necessary for the Company to raise further funds to develop and progress its exploration, development and producing assets, as well as to meet the Company's working

capital requirements. Negotiations for funding are on-going and the Company is hopeful it can conclude an agreement to resolve the Company's financial position satisfactorily. There can be no certainty that these discussions will result in a satisfactory outcome.

Sergio Morandi, the Company's CEO, stated:

"The Guendalina development is entering the most exciting phase, with the development project remaining on schedule and progressing well.

The Guendalina development represents one of the key milestones of the Company's business plan that from the point of 'first gas' is expected to generate significantly higher net gas production and revenues than those currently realised by the Company."

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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Glossary

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
Gue 2D	directional well
TD m	Total Depth in meters
MD	Measured Depth
TVD	True Vertical Depth
2P (P1 & P2) Reserves	Proven plus probable reserves as defined in the SPE/WPC Standard

Prospective oil/gas resources
SPE/WPC

Has the meaning ascribed by the SPE/WPC Standard
Society of Petroleum Engineers/World Petroleum Congress