

June 1, 2011

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

Operational Update and Appointment of Joint Broker

The Board of Mediterranean Oil & Gas Plc (AIM: MOG), the central Mediterranean focused producer, developer and explorer of oil and gas assets, is pleased to announce the following news on Offshore Malta Area 4 PSC (Blocks 4,5,6,7), the Guendalina Gas Field Development in Italy and the appointment of Panmure Gordon as joint broker.

KEY POINTS

- **18 month extension of Malta Area 4 PSC exploration period to January 18, 2013**
- **Advanced negotiations to farm out 75% of Malta Area 4**
- **Guendalina Gas Field development progressing on schedule – first gas on track for September**
- **Appointment of Panmure Gordon Limited as joint broker**

Michael Bonte-Friedheim, the Company's CEO, stated:

"We are very pleased to have reached an agreement with the Government of Malta to extend the exploration phase for all blocks of Area 4. The additional 18 months will allow us to progress our analysis of the acreage and hopefully identify attractive drilling targets.

We are in advanced discussions with a third party for the farm out of a 75% interest in Area 4 and are hopeful that the seismic survey will identify further prospects in the area and make the drilling of an exploration well attractive.

The Guendalina development is progressing well, the most critical phase having been completed successfully, and on schedule. The development represents one of the key milestones of the Company's business plan that will allow it to significantly increase net gas production and revenues, once this comes on stream.

We look forward to working with Panmure Gordon and, post the recent re-organisation and fundraising, believe it is the right time to strengthen the Company's team of advisers to help take the Company forward."

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Offshore Malta Area 4 PSC - Extension of Exploration Period

The Company has signed an agreement with the Government of Malta to extend the first exploration phase of the Production Sharing Contract ("PSC") for offshore Malta Area 4 (Blocks 4, 5, 6, 7), by 18 months to January 18, 2013.

In addition, the Company is in advanced negotiations with a third party to farm out 75% of the working interest held by its wholly owned subsidiary, Phoenicia Energy Limited.

The key conditions agreed with the Maltese Government for extension of the PSC include:

- No change to existing level of minimum exploration expenditure (US\$5 million)
- Commitment to acquire 1,000 sq km of 3D seismic by January 2012
- A drilling penalty of US\$5 million applicable to the working interest holders in the event a well is not drilled by the extension expiry date on 18th January 2013, unless there is a technical justification not to drill such a well
- Payment of extension bonus of US\$300,000 in July 2011

Background to Malta PSC

On 18th July 2008, MOG entered into a PSC with the Maltese Government following an encouraging geological and geophysical assessment of the PSC Area undertaken by the Company and its consultants during the 36 month Exploration Study Agreement (ESA) phase. The PSC granted MOG the exclusive right to explore for and exploit oil and gas in a 5,700 sq km area which extends south from Maltese waters to the agreed and internationally recognised border with Libya.

The PSC is for a term of 30 years and is divided into exploration and production periods. The 6 year exploration period is divided into 3 stages with an initial 3 year stage in which the Contractor is obliged to drill a 2,500 metre well. Following the current stage the Contractor can extend the exploration phase for two additional exploration periods of 18 months each by undertaking a further one well commitment for each extension. Prior to execution of the extension to the PSC, the first exploration period was due to expire on 18th July 2011.

Malta is surrounded by large proven petroleum systems, in the offshore parts of Libya, Tunisia and Sicily. The studies performed by the Company established that the geology within the PSC Area has potential for petroleum systems related to the Tunisian and Libyan hydrocarbon plays and fields. These systems provide encouraging analogues for Area 4. Source, reservoir and seal rocks, similar in age and character to those developed in both Tunisia and Libya, are present in the PSC Area.

The PSC Area is covered by various vintages of 2D seismic data and by a 3D survey over the western part of the block 7. Since 2007, the Company acquired in the area 1,012 km of new 2D seismic, processed the newly acquired seismic, reprocessed in time and depth the existing 3D dataset and re-interpreted the entire 2D and 3D seismic data package available in the area.

Four prospects and five leads on the PSC Area have been confirmed and delineated. The new assessment of prospective resources and potential hydrocarbon volumes in place undertaken by the Company in 2010 substantially confirm the previous assessment undertaken for the Company by

RPS. The total un-risked hydrocarbon potential of the PSC Area is estimated to be around 5 billion barrels of oil in place with resultant total 'most likely case' un-risked prospective recoverable oil resources of about 1,500 MMbbls. The three most mature prospects are located in Block 7 along the ramp setting of the Melita – Medina Graben close to the Libya pelagic basin.

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

The field development program continues to progress on schedule and following the installation of the platform jacket, ENI has informed the Company that the drilling phase has also been completed successfully. The Transocean jack up rig GSF Key Manhattan has terminated drilling of the two development wells, Guendalina 2Dir ("GUE2Dir") and Guendalina 3 ("GUE3"), with the following main results:

Guendalina 2Dir:

- the well has been drilled to TD (3,290m MD) and all the expected gas bearing levels have been verified successfully;
- the well confirmed the presence and thickness of the main Gas Target PL3-J3 and is gas bearing;
- the evaluation of the deeper exploration gas target (PL3-K) is still ongoing and will be subject to further additional G&G studies (seismic inversion) to assess future development;
- a complete set of logs and MDT data (Fluids sampling and analysis) have been acquired as part of the program.

Guendalina 3:

- the well has been drilled to TD (3,164m MD), six days ahead of schedule and all the expected gas bearing levels have been verified successfully;
- a complete set of logs was acquired and a core was taken on the main gas target zone (PL3-J3 level);
- the well confirmed the presence and thickness of the two main Gas Targets: PL3-I1 & PL3-J3, each of which are gas bearing. An additional Gas level (PL3-J), which was not included in the original development plan, has also been positively evaluated and will be completed for production.

Program ahead:

- the two wells are now being completed and will be tested for production by the end of June 2011;
- construction of the platform deck is proceeding as per program (70% completed) and deck installation is forecast to occur immediately after the completion of the drilling, completion and testing phase, at the beginning of July 2011. The layout of the subsea pipeline is forecast to start in June 2011

Gas Production start up:

- Based on the information received from ENI, given the field development plan is progressing on schedule; first gas is presently expected in late September.

Background:

- The Guendalina gas field is 47km off of the northeast coast of Italy in 42m of water.
- The field has independently certified 2P gas reserves of 22 Bcf (4.5 Bcf net MOG).
- Based on studies performed by ENI, the aggregate gas production from the field is expected to be approximately 20 MMcf/day (100% basis); 4MMcf/day net to MOG.

Appointment of Joint Broker

The Company also announces that it has appointed Panmure Gordon as its joint broker with immediate effect.

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.

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
TD m	Total Depth in meters
MD	Measured Depth
TVD	True Vertical Depth
MDT	Modular formation Dynamic Tester
2P (P1 & P2) Reserves	Proven plus probable 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