

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

Operations Update

**Guendalina gas field production and shooting of 3D Seismic
over Malta Area 4**

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

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

Following commencement of gas production at the offshore Guendalina gas field on 25 October 2011, aggregate gross gas production from the field (100% basis) has been approximately 630,000 scm/day (22 mmcf/day), representing approximately 120,000 scm/day (4.2 mmscf/day), net to MOG.

This has quadrupled the Company's production from approximately 40,000 scm/day (1.4 mmscf/day) to 160,000 scm/day (5, 6 scm/day).

Background:

- The Guendalina gas field is located 47km offshore 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);
- In June 2011, MOG signed a gas purchase contract with the Italian utility, Elettrogas SpA. The term of the contract is one year, commencing from 1 October 2011 and is automatically renewed by a further year unless terminated by either party. Under the contract's gas price formula, the average annual gas price for the next 11 months is expected to be approximately €0.306 /cubic meter (US\$11.50 /thousand cubic feet).

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

"The Guendalina field is performing very well and has significantly increased MOG's net gas production and revenue."

2. Update on Malta, Offshore Area 4 PSC (Blocks 4, 5, 6, 7) (MOG 90% and Operator; LGO 10%)

Following the previous announcement on 14 November 2011 that the Company entered into a contract with Fugro-Geoteam Pty Ltd ("Fugro-Geoteam") to acquire 1,000 square kilometers of long offset 3D seismic exploration data at Area 4 Offshore Malta, the Company further announces that the Fugro-Geoteam vessel, R/V Geo Barents, commenced seismic acquisition on 18 November 2011.

As at close on Monday 21 November, approximately 15% of the target 3D seismic data has been acquired. The estimated duration of the survey is about 30 days. Processing of the acquired 3D data will commence immediately after the completion of the survey, with the objective of obtaining the results towards the end of Q1, 2012.

Background:

- MOG, through its wholly owned subsidiaries Malta Oil Pty Ltd and Phoenicia Energy Limited, currently holds an operated working interest of 90% under the Malta PSC, with the remaining 10% working interest held by Leni Gas & Oil Investments Limited.
- On 18 July 2008, MOG entered into a production sharing contract (the “PSC”) with the Maltese Government following an encouraging geological and geophysical pre-assessment of Malta, Offshore Area 4 PSC (the “PSC Area”) undertaken by the Company and its consultants.
- The PSC granted MOG the exclusive right to explore for and exploit oil and gas from a 5,700 sq km area which extends south from Maltese waters to the agreed and internationally recognised border with Libya.
- 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.
- 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 has previously acquired 1,012 km of new 2D seismic data in the area and has reprocessed, in time and depth, the existing 3D dataset. The Company has also re-interpreted the entire 2D and 3D seismic data package available in the PSC Area.
- Four prospects and five leads have been confirmed and delineated in the PSC Area. The total un-risked hydrocarbon potential of the PSC Area is estimated to be around 5 billion barrels of oil in place with the resultant total “most likely case” un-risked prospective recoverable oil resources being 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.

Sergio Morandi, Chief Executive Officer of MOG, commented:

“We are extremely pleased to have commenced 3D seismic acquisition offshore Malta with Fugro-Geoteam, a world class operator. The new 3D seismic data should enable the Company to complete the assessment of the exploration potential of Area 4, Offshore Malta.”

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

- 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
- SPE/WPC Society of Petroleum Engineers/World Petroleum Congress
- Prospective oil/gas resources: has the meaning ascribed by the SPE/WPC Standard