

Mediterranean Oil & Gas plc (“the Company” or “MOG”)

Operational and Trading Update

Mediterranean Oil & Gas plc, is an independent oil and gas production development and exploration company with a balanced portfolio of assets located in the central Mediterranean region. The Company today provides the following operational and trading update for the period 1 July 2008 to 31 December 2008. The Company’s financial year end has been changed to 31 December. Therefore the last financial year comprised of only the six month period from 1 July 2008 to 31 December 2008 for which the Company intends to publish audited accounts by 30 June 2009 in accordance with its published financial calendar.

Period Highlights

- Application for production concession for Ombrina Mare (MOG 100%) submitted
- Main gas sales contract price €0.347/standard cubic metre
- Gas storage feasibility study progressing and identification of suitable locations from MOG’s asset portfolio
- Focus on progressing core assets and geographies
- Postponement of the MG2 exploration well on Serra San Bernardo exploration permit until first half 2010

Italian Gas Production

The Italian onshore gas business over the six month period to December 31 generally performed in line with the previous period. Gas production for the period was approximately 10MMscm (0.35Bcf). Production was down approximately 13% mainly due to maintenance works on some of the production wells and related facilities.

The gas price on the main sales contract at the end of 2008 was €0.347/scm per cubic metre which is equivalent, as at 31 December 2008, to 13.86 USD per Mcf. This compared with a gas price of €0.333/scm as at 30 June 2008 on the same contract.

The Company is also aggressively continuing to progress the development of additional gas assets which are waiting to come on stream. This is an ongoing process and may be summarised as follows:

- T. Celone Concession (MOG 50%) - Vigna Nocelli 1: Gas production is scheduled to start 30 March 2009
- S. Andrea Concession (MOG 40%) – Anzano 1: authorisations are progressing; first gas expected Q4 2009
- M. Grottavecchia Concession (MOG 20%) – Traetta 1: authorisations are progressing; first gas expected early 2010
- Aglavizza Application for Concession (MOG 100%) – Civita 1: Award of the production concession expected Q4 2009 and first gas in 2010
- S. Teodoro Concession (MOG 100%) - S.Teodoro 1 Work Over : Commenced preparation of the technical program; works planned to commence in 2010
- S.Basile Concession (MOG 100%) – S. Basile 1: a development feasibility study of the residual gas reserves is starting

- Castel Di Lama Concession (MOG 26%) – F. Tronto 1: a development feasibility study has been started

Ombrina Mare Development (MOG Operator - 100%)

The Company continues to prioritise and advance this 100%-owned project. The field development plan has been completed and the application for grant of concession was submitted on 17 December 2008. In addition, tenders for the award of the Environmental Impact Study (“EIS”) have been evaluated and the contract has been awarded to the preferred bidder. The EIS should be completed within 3 months and submitted for the approval to the Italian environmental authorities by July 2009..

With 2P reserves of 20mmbbls of oil and 6.5Bcf of gas the development of the existing certified Ombrina Mare oil and gas reserves is already a major project for our Company. However the permit covers an area of 270 sqkm and is highly prospective for the discovery or appraisal of additional oil and gas. Approximately 50% of the main Ombrina Mare field as delineated on the seismic has now been appraised for oil. All of the reserves certified to date come from the Oligio-Miocene platform carbonate reservoir. The larger Cretaceous carbonate reservoir underlying the Oligio-Miocene is also known to be oil bearing although it is not known whether the oil trapped in this area will be recoverable.

In addition to current 2P reserves, a further 11 to 18mmbbls (best to high case) of contingent oil resources and 3Bcf of best case contingent gas resources have been identified by the Company.

The Company also believes that other structures on this permit represent significant potential for additional discoveries of oil and gas.

Guendalina (MOG 20% - ENI Operator)

ENI, the operator of the Guendalina Gas Field, currently under development, has advised it expects to receive the production concession grant by the middle of this year (2009). Capital works will then commence. The Company has a 20% interest in this field which currently has 2P gas reserves of 22Bcf (100% basis). First gas is forecast for 2010.

Serra San Bernardo Exploration (MOG Operator - 22.89%)

Drilling of the MG2 exploration well has been postponed to the first half of 2010.

Malta Off Shore – Exploration (MOG Operator – 90%)

A feasibility study for the acquisition of controlled source electromagnetics data is in progress. One dimensional modelling has been completed and the Company is further evaluating the prospect of additional 2D modelling. MOG’s technical article on the exploration potential of its Maltese acreage has been published in First Break magazine Vol 27 March 2009.

Other Exploration

The Company is continuing to be actively engaged in on-shore Italy exploration to maintain and expand its position in a market with strong demand for gas. Our exploration programme in this context may be summarised as follows:

- Montemarciano permit (MOG 50%) – Case Tiberi 1 drilling project: geological & drilling program ready, permitting in progress. Drilling expected in 2010
- Montalbano permit (MOG 40%) – Monteasano 2 appraisal drilling project: geological & drilling program ready, permitting in progress. Drilling expected in 2010
- Civita permit (MOG 100%) – S. Liberata 1: geological & drilling program in progress, permitting to start
- T. Celone Concession (MOG 50%) – Masseria Sipari 1: geological & drilling program in progress, permitting to start
- S. Teodoro Concession (MOG 100%) - Macchia Nuova 1: G&G and technical assessment in progress
- T.Cigno Concession (MOG 45%) – M. Vincelli 2: G&G and technical assessment in progress
- Monteardone concession (MOG 11%) – Faseto 1: exploration drilling proposal under evaluation and G&G and technical assessment to start

New Projects

Gas Storage Feasibility Study

The Company is finalising a feasibility study related to the concession of some of our depleted fields to gas storages.

A Feasibility Study by Politecnico Torino on one of our fields is in the last stage of finalisation. Also a review of the legal and authorisation process relating to this study is underway.

General

The current adverse economic climate clearly calls for more prudent and selective management of the Company's assets. The Company continues to prioritise the development of the 100% owned Ombrina Mare discovery. There has been no further material advancement on MOG's Tunisia (Medjerda) and France (Grenade) interests.

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 twenty seven 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

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| Bcf | billon cubic feet of gas |
| MMbbls | million barrels of oil |
| Km/ sqkm | kilometres/ square kilometres |
| Mcf | thousand cubic feet |
| 2P reserves | proven plus probable reserves |
| scm/MMscm | standard cubic metres/million standard cubic metres |
| SPE/WPC | Society of Petroleum Engineers/World Petroleum Congress |

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