

MEDITERRANEAN OIL & GAS PLC
(the "Company" or "MOG")

CONVERTIBLE BOND RESTRUCTURE
– PENDING PROJECT FINANCE FOR DEVELOPMENTS IN ITALY

12 July 2007

The Board of Mediterranean Oil & Gas Plc (AIM: MOG) has renegotiated the terms of the convertible bond with the Bondholder to better enable the Company to undertake development and project financing for its pending projects. The restructured unsecured bonds, have a term expiring 31 March 2009 and no further interest is payable - a reduction from the current rate of 6% to 0% - with effect from 1 April 2007 until expiry of the Bonds.

The conversion price and other bond terms, as previously disclosed in the Company's admission document, remain unchanged.

The Company is participating in the development of the Guendalina gas field, the appraisal/development of its 100% owned Ombrina Mare oil field and 3 major wells over the next 3 to 7 months. The renegotiation of the convertible bond terms is an important step in preparing the Company's finances to fund these projects. Also, the elimination of the interest liability on the Bonds will assist the Company's ability to fund corporate debt from existing cash flow from its Italian production prior to Ombrina Mare or Guendalina coming on stream.

The Company is entering into a very intensive phase of capital works with:

1. the OM2 (Ombrina Mare Permit) appraisal/development well by the Galloway Jack-up rig is scheduled to spud January 2008. The procurement process of the required inventories is well advanced;
2. the Company, as operator, has secured a highly specialised rig due to spud in November 2007 for the Monte Grosso (Serra San Bernardo Permit) well. Site preparation and procurement of required inventories is on schedule;
3. the Medjerda well (which the Company has a 25% interest in) is due to spud in September 2007; and
4. the Grenade appraisal/development well in the St. Laurent permit is due to spud in October 2007.

In addition, the Company is also progressing work on:

- (a) recently acquired seismic for Offshore Malta Licences; and
- (b) ongoing drilling operations on onshore Italian assets.

Enquiries:

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