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Galloway jack-up rig for Ombrina Mare

Oil and Gas Assets



 Oil Exploration

 Oil Discoveries (Appraisal/Development)

 Gas Assets

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Highlights

Recent Highlights

- April 2007 Leni Gas & Oil agrees to fund USD 5 million for 20% of Malta offshore Exploration Study Agreement (ESA).
- May 2007 Agreement (1) with ENI on a drilling window for an ENI contracted Jackup Rig to drill appraisal/development well on MOG's 100% owned Ombrina Mare oil & gas discovery.
- May 2007 Agreement (2) with ENI on a drilling window for an ENI contracted Rig to drill Monte Grosso Prospect in Serra San Bernardo Permit. MOG as operator executes a services agreement with ENI on behalf of JV partners to drill the Monte Grosso well.
- June 2007 Acquisition of 1,000 kilometres of 2D seismic in Malta Offshore Area 4. The new survey was designed to increase the understanding of some of the large prospects in the area covered by our ESA.
- July 2007 Convertible Bond Restructuring. The Company renegotiated convertible bond terms with the bondholder in lead up to project financing for upcoming projects.
- September 2007 MOG, as operator, procures environmental approval for Monte Grosso well.
- September 2007 Changes in Executive Management. New appointments. Board of Directors expanded.

Forthcoming Events

- October 2007 Processing of recently acquired seismic survey of Malta Offshore Area 4 to be completed and incorporation of new data into the seismic dataset to be carried out.
- Expected spudding of the Grenade 3 appraisal well, St Laurent Permit, France.
- November 2007 Expected spudding of the Teboursouk 1 exploration well (TEB-1), Medjerda Block, Tunisia.
- December 2007 Expected spudding of the Monte Grosso exploration well, Serra San Bernardo Permit, Italy.
- January 2008 Expected spudding of Ombrina Mare appraisal well (OM-2), BR 269 GC Permit, Italy.

Latest News

Mediterranean Oil and Gas (MOG) has achieved a number of milestones in 2007 and is well positioned to make further rapid progress in 2008 and beyond. The Company owns some potentially very significant assets which are soon to be the subject of an extensive work programme including two major exploration wells, some key appraisal wells and an ongoing development. All of these assets are located in relatively low risk environments.

MOG has successfully overcome a number of anticipated challenges in the last year. As with any emerging producer, these challenges relate to the sourcing of hardware (eg jackup rigs, survey vessels, and deep drilling onshore rigs) and suitably qualified, highly experienced technical management and executive personnel.

Executive Management – Role Change



Mr. Giovanni Catalano

Mr. Giovanni Catalano, our current CEO, joined the Company in its infancy and came to us from Woodside Petroleum with a background in business development.

Giovanni's experience and skills in that area have enabled the Company to build a very solid infrastructure particularly in human resources. Giovanni's contribution to the establishment of the Company's business, and the hard work and commitment needed to source rigs and find the right personnel in a very tight market cannot be overstated.

Whilst his tenure as a full time CEO is nearing its end and there will be a change of role for Giovanni, he will continue to serve as a Non-Executive Director on the Board and act as a Consultant exclusive to MOG.

Giovanni has committed to continue his valuable contribution to the future growth of the Company in his new role.

Giovanni's role was a hard act to follow, particularly as the Company now moves to a different level. Our brief was to source a highly experienced, highly competent professional with a proven exploration and development track record and essentially with an Italian background.

Latest News continued



Mr. Sergio Morandi

Mr. Sergio Morandi comes to us from a senior management position with Shell International (Netherlands). Sergio is 52 years old and was born in Rome. He has 27 years experience in the oil industry, much of the time involved directly in exploration, the management of geophysical operations and the acquisition, processing and interpretation of seismic data. Sergio's many professional achievements include:

2004 - 2007	Shell International (Netherlands) Centre of Expertise – Geophysical and Business Advisor
2003 - 2004	Shell Italia E & P - Head of Exploration
1999 - 2002	Enterprise Oil Italy – Head of Exploration
1992 - 1998	Enterprise Oil plc – Chief Geophysicist (based in London from 1995)
1983 - 1992	ELF Group – Responsible for seismic acquisition and interpretation and exploration in Italy
	Other Appointments
1997 – 2003	Lecturer of Applied Seismology at Basilicata University, Italy.
2002 – 2003	Board member of the Italian National Upstream Association (Associazione Mineraria Italiana)

Sergio is co-author of 7 publications and has given over 25 presentations at international conferences in Italy and the Mediterranean region. He is a recognised expert in thrust belt exploration and geophysics.

Importantly, Sergio was professionally involved with two of the Company's most important assets. During his service with Elf Group, Sergio was involved with the discovery of Ombrina Mare. He was also involved in the evaluation of the Monte Grosso prospect during his employment as Exploration Manager with Elf Italiana.

In short with the appointment of Mr. Sergio Morandi, MOG has gained a highly qualified professional with very extensive experience in Italy.

Rigs

The difficult matter of rig availability has finally been successfully resolved for the time being with confirmation of:

- (1) The Galloway Jackup rig for Ombina Mare 2 – Italian Adriatic Coast – MOG Operator – January 2008.
- (2) CTF Rig No. 6 for TEB1 well Medjerda Block - Tunisia onshore– Range Operator – November 2007.
- (3) Drilling Contract with ENI/Pergemine for Monte Grosso well – onshore Basilicata region – MOG Operator – December 2007.
- (4) A COFOR MAS 3000 rig for the well Grenade 3 in onshore France – Egdon Operator – October 2007.

Operational Review

- Production
- Guendalina development
- Forthcoming Exploration/Appraisal Drilling Campaign:
 - Ombrina Mare 2 appraisal well
 - Monte Grosso exploration well
 - Teboursouk 1 exploration well
 - Grenade 3 appraisal well
- New Exploration Activity
 - Italy
 - Malta
 - Tunisia
- New Ventures and Forward Strategy

Production

MOG's activities in Italy are carried out through its wholly owned subsidiary Intergas Piú s.r.l (IGP).

MOG has interests in 18 Italian production licences. It is the operator of 10 of the licences. MOG also has interests in a number of gas treatment facilities and an operational base in Foggia. Current production is averaging around 0.7 Bcf per year (1.9mmcf/d).

During 2007, MOG has continued to pursue a programme of drilling sidetracks and performing work-overs at a number of fields to maintain and boost its production rates. Via this activity the natural decline of production was stopped and from 2008 MOG expects to grow its overall gas production as it brings a number of its developments and contingent resources into production over the coming years.

In Italy gas is relatively highly priced at around 10 US\$/mcf, prior to recent spike in energy prices. The gas price is linked to the price of oil and there are relatively low capital costs going forward.

The Company's Italian operations have continued to perform well generating sufficient cash flow to fund the Italian operations and the Group's overhead costs. Since June the Group entered a period of major capital works related to the forthcoming drilling programme which will include the Ombrina Mare and Monte Grosso wells and wells in Tunisia, France and onshore Italy and the development of Guendalina. The capital expenditure on these works will be funded in part by surplus cash flow from production as well as from the Company's cash reserves and, in relation to development, by debt facilities.

MOG is committed to the highest standard in Health, Safety and Environment (HSE) management. Proof of this commitment is that no injuries were reported since IGP was acquired by MOG in April 2005.

Operational Review continued

Guendalina gas development

MOG 20%
Operator – ENI

ENI, the operator of the Permit, has moved ahead with their development of the nearby Tea Gas Field. The Tea development includes a tie back of the Guendalina Field to the Tea gas production platform. ENI will move the production platform into location after completing the production wells at Tea. The tie back to Guendalina is planned to follow in 2008.

ENI estimate production from Guendalina would be 142Mscm (100% basis) in the first production full year (2010). MOG's share of the production, as estimated by ENI, would more than double our Italian annual gas production to about 1.7 Bcf per year.



Forthcoming exploration/appraisal drilling campaign

Ombrina Mare 2 appraisal development well

MOG 100%
Operator – MOG

MOG has finalised an agreement with ENI on a drilling window for the ENI contracted GH Galloway jack-up rig to drill an appraisal/development well on MOG's 100% owned Ombrina Mare oil and gas discovery.

The rig is presently operating in the Adriatic Sea under contract with ENI and MOG has successfully negotiated a drilling window for the Ombrina Mare 2 well. The jack-up is expected to be mobilised end of 2007 for drilling to commence in January 2008.

The Ombrina Mare oil field is located seven kilometres from the Italian Adriatic coast in ca. 20 metres of water. The Ombrina Mare field and two satellite structures are entirely covered by permit BR 269 GC which is 100% owned and operated by MOG.

The Ombrina Mare 1 discovery well resulted in oil production of 428 bbls/d and gas production of 6.8 mmcf/d during extended test.

Best estimate stock tank oil initially in place ("STOIIP") amounts to 165.9 Million stock tank barrels ("MMbbls") and best estimate contingent resources to 27.5 MMbbls.

Based on its field development plan for best estimate contingent resources, MOG anticipates plateau oil production rates of approximately 8,200 bbls/d.

The Ombrina Mare 2 appraisal well has been designed to test vertically the two main reservoirs of Mio-Oligocene and Cretaceous age and then penetrate horizontally for several hundred meters the main Mio-Oligocene carbonate reservoir to prove up a multifold increase in production rates. It is envisaged that the appraisal well will ultimately be utilised as a development well.

MOG is progressing with obtaining the necessary governmental approvals for the Ombrina Mare 2 well and is on schedule for the proposed spud date in the agreed time window. MOG has already procured all the materials needed for the appraisal/development well and has firmed up agreements for an operational base in Ortona.



Operational Review continued

Monte Grosso exploration well

MOG 22.89%
Operator – MOG

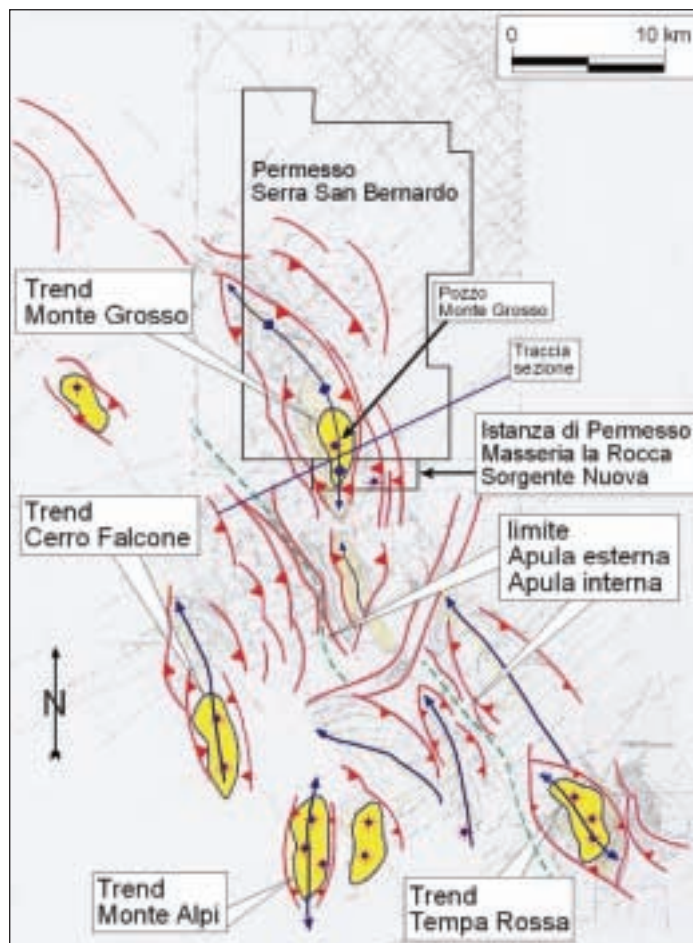
As the operator of the permit, MOG has entered into a services agreement with ENI on behalf of the J/V partners, for ENI to provide their on-shore high capacity (3000HP) rig to drill the Monte Grosso oil prospect. The Monte Grosso well is expected to spud in December 2007.

MOG owns 22.89% of the Serra San Bernardo exploration permit and is the Operator of the exploration permit on behalf of its joint venture partners, which include ENI and Total.

The Monte Grosso prospect is located on a similar trend to the Italian Southern Apennines major producing oil fields - Monte Alpi, which is ENI operated and produces approximately 100,000 bbls/d, and Tempa Rossa, which is currently under development by Total, as well as the Cerro Falcone discovery.

The Monte Grosso prospect has best estimate STOIIIP of 1,250 MMbbls (100% basis) and best estimate prospective resources of 280 MMbbls (100% basis).

The upgrade of the well staging area and material procurement are advanced and on schedule. Mobilisation of the rig from a nearby site is expected to take place in December 2007.



Operational Review continued

Teboursouk 1 exploration well

MOG 25%

Operator – Range Petroleum

Range has executed a contract with Compagnie Tunisienne de Forage for CTF Rig 6 to drill the Teboursouk 1 well (TEB-1) in the Teboursouk Prospect. CTF RIG 6 is expected to spud TEB-1 in November 2007 after finishing a drilling commitment presently underway nearby.

The Teboursouk Prospect is located in the Domes zone in the southern part of the Medjerda Block. The operator has advised MOG that the Teboursouk Prospect best estimate prospective resources are 80 MMbbls and 27 MMbbls for the Aptian Sandstones and Carbonate Complex objectives respectively.

The operator has already procured all material needed for the drilling and the drilling stage area is ready for a November spud.

Grenade 3 appraisal well

MOG 11.5%

Operator – EGDON



Following the acquisition and interpretation of 3D and 2D seismic delineation surveys within the Grenade Field's area, the JV partnership has re-evaluated the best estimate STOIIIP for the field to 300 MMbbls oil (range 95 to 945 MMbbls).

The Grenade-3 well is designed to confirm the oil column and subsequently, with a horizontal sidetrack through the main reservoir, to confirm the well deliverability via a production test.

With success at Grenade 3, a pilot production project is planned using Quadrise Fuels plc's MSAR process with options for a range of possible enhanced recovery methods, including CO₂ injection and sequestration.

A COFOR MAS3000 rig has been secured for the drilling campaign and the drilling site is under construction. Long lead items are being procured to spud the well as planned in October 2007.



Operational Review continued

New Exploration Activity

Italy

In Italy, MOG has interests in 10 exploration permits, operates 7 of the permits and has an interest in a further 7 pending applications.

During 2007, MOG has continued its programme of evaluation and value enhancement of these exploration blocks and continues to pursue a number of other pending applications.

MOG expects to grow and better balance its overall exploration portfolio in Italy and to bring a number of its prospects and related contingent/prospective resources into production over the coming years.

Malta Offshore Blocks 4, 5, 6 and 7, Area 4

MOG 80%
Operator – MOG

In April 2007 Leni Gas & Oil Plc (LGO) agreed to farm into MOG's Exploration Study Agreement (ESA) over blocks 4, 5, 6 and 7 of Area 4 Offshore Malta by expending USD 5 million to earn a 20% interest. MOG continues to act as Operator with 80% equity. LGO agreed to spend USD 5 million to earn the initial 20% interest. After completing that expenditure and the grant of a production sharing contract over the ESA area, LGO may fund 80% of the total cost of the first well (estimated to be USD 30-35 million on a 100% basis) to earn an additional 30%.

Malta Area 4
Blocks 4, 5, 6 and 7



Source: RPS Energy



In May 2007, MOG executed a letter of award with the seismic surveying vessel M/V Geo Mariner of Seabird Exploration for the acquisition of approximately 1,000 line kilometres of 2D seismic in Area 4 off-shore Malta.

M/V Geo Mariner acquired the survey on budget and on schedule. The newly acquired 2D seismic data together with the previously Shell acquired 3D seismic dataset is being processed in France by CGGVeritas.

Final results are expected by the end of October 2007.

The new seismic 2D campaign was primarily directed towards increasing MOG's understanding of some of the large prospects in the area covered by the ESA. The previously identified prospects at Hagar Qim, Skorba and Tarxien together with the newly identified

prospects, particularly Luzzu, provide best estimate prospective resources of 1.5 BBstb and best estimate STOIIIP of 5.7 BBstb. High estimate STOIIIP exceeds 14.0 BBstb on the permit.

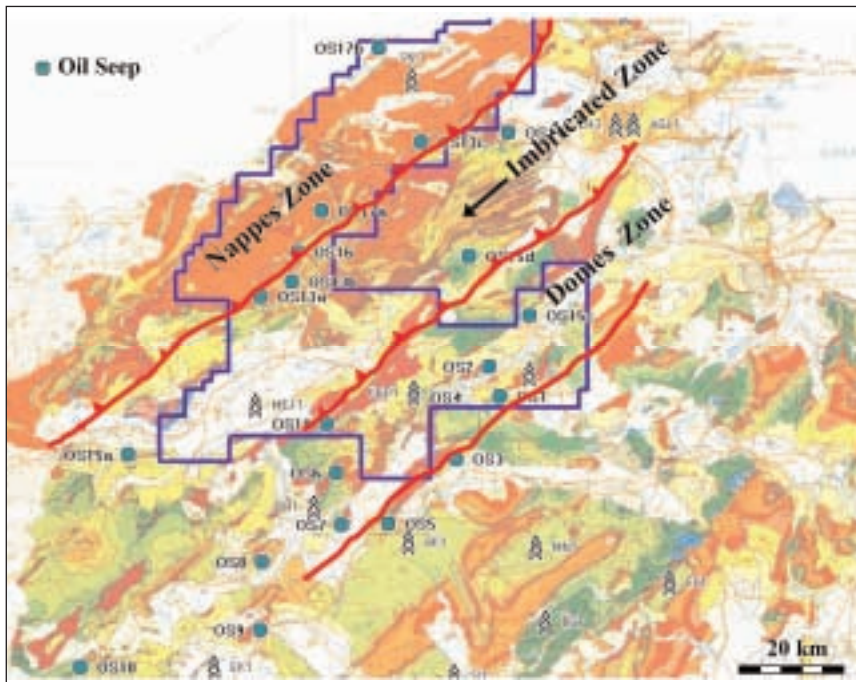
The offshore south of Malta is considered an under-explored petroleum province related to an extension of the offshore Libyan and Tunisian proven hydrocarbon provinces.

Immediately south of MOG's blocks in Libyan waters, the NOC of Libya has released 4 areas for tender for the EPSA IV bidding round. The result of the bidding is expected on the 9th December 2007.

Operational Review continued

Tunisia

In addition to the Teboursouk Prospect in the Domes Zone in the southern part of the Medjerda Block, there are a number of prospects and leads in the northern part of the block within the Nappes Zone.



The available seismic 2D data covering this northern area is not sufficient to delineate the prospects/leads to drillable status. The Joint Venture has decided to acquire an infill 2D seismic programme in the area to firm up a number of the prospects to be considered for drilling in 2008.

The MeGeo2X seismic company has been selected for the acquisition job and a Vibro/dynamite hybrid acquisition campaign is scheduled to start soon.

New Ventures and Forward Strategy

MOG is continuously evaluating opportunities to expand its activities in ways that fit the Company's strategy and the areas in which the Company operates.

MOG is committed to maximising the value of its well balanced portfolio of assets and to pursue its objective to become a mid size oil and gas producer.

Oil and Gas Market in Italy

Italian hydrocarbon production accounts for about 5% of Italy's domestic oil consumption and 15% of its gas needs.

“Italy is considered to have good gas and oil remaining potential and, thanks to the present rising oil prices, there is a new “wave” of interest in hydrocarbons exploration proven by the numerous new permits applications recently requested to the Ministry.” *Assomineraria*



Corporate Details and Contacts

Board of Directors

Mr Michael Bonte-Friedheim (Chairman)

Mr Bonte-Friedheim brings a wealth of expertise and experience in the energy sector to the Company. From 2003 to 2006, he was a managing director in the investment banking division of Goldman Sachs International. Prior to that he was an executive director in the Investment Banking Division of Morgan Stanley International.

Mr Sergio Morandi (Chief Executive Officer)

Mr Morandi has 27 years experience in oil & gas exploration, operations management and the acquisition, processing and interpretation of seismic data. He has worked at ENI, Coparex, ELF, Enterprise Oil, Shell Italia E&P and Shell International E&P. From 1997 to 2003, he was a lecturer of Applied Seismology at Basilicata University in Italy and in 2002 and 2003 he was a Board Member of the Italian National Upstream Association (Associazione Mineraria Italiana).

Mr Anthony Trevisan (Executive Director)

Mr Trevisan has over 20 years corporate experience in financing, M&A and the restructuring of industrial, petroleum and mineral resources companies. This includes the establishment from start up of substantial operating businesses, public offerings and the floating of companies valued at over \$1 bn.

Mr Giovanni Catalano (Non-Executive Director)

Mr Catalano has over 28 years experience in the upstream oil and gas industry, a proven track record of finding and developing opportunities and a strong technical and commercial background. He was previously with Woodside Petroleum and prior to that with AGIP and LASMO International. He is former Director of Woodside Energy UK and AGIP Mauritania BV, and a former Chairman of Woodside Energias SA in Spain.

Mr Peter Clutterbuck (Non-Executive Director)

Mr Clutterbuck is a petroleum engineer with broad exploration, development and production experience globally but particularly in the North Sea, Middle East and Africa. After a successful 15 year fast track career with the BP Group he has managed independent oil companies for over 20 years.

Mr David Lenigas (Non-Executive Director)

Mr. Lenigas has over 23 years of experience in mining and exploration. He is currently the Executive Chairman of Lonrho Africa plc, Chairman of BDI Mining Corp, Chairman of Nare Diamonds Limited, Luba Freeport Ltd., and Fly540 Aviation Ltd. He is also a non-executive director of Norse Air Ltd., Asia Energy plc and River Diamonds plc.

Mr Salvatore Russo (Non-Executive Director)

Over a period of some twenty years Mr Russo has held senior positions on the Boards of some of Italy's largest corporations including, amongst others, as Chairman and CEO of Saipem S.p.A, Chairman and CEO of Snam S.p.A, and Chairman and CEO of Snam Rete Gas S.p.A (ENI Group). He is currently Chairman and CEO of EnerTAD S.p.A. In addition he has served on the Board of Directors of a number of companies including Agip, AgipPetroli, EniChem and Italgas.

Corporate Directory

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Glossary

Stb/month or bbls/month	Stock tank barrels of oil per month
BBstb	Billion stock tank barrels
bbls/d or stb/d	Stock tank barrels of oil per day
MMbbls or MMstb	Million stock tank barrels
mcf	Thousand cubic feet
mmcf/month	Million cubic feet per month
mmcf/d	Million cubic feet per day
Bcf	Billion cubic feet
Tcf	Trillion cubic feet
scm/Mscm	Standard cubic metres /Million standard cubic metres
scm/month	Standard cubic metres per month
SPE/WPC	Society of Petroleum Engineers/World Petroleum Congress
STOIP	Stock tank oil initially in place

QUALIFIED PERSON

Giovanni Catalano (a director of the Company) holds a masters degree in geology and has had over twenty-five years in the upstream oil and gas industry. His last position held was with Woodside Energy Pty Ltd, Perth, Western Australia as Business Development Manager – Far East. Prior to Woodside (where he was for seven years), Mr Catalano was with AGIP for nine years and LASMO International for eleven years. He is a former Director of Woodside Energy UK and AGIP Mauritania BV companies and former Chairman of Woodside Energias SA in Spain. 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.

