Mediterranean Oil & Gas Plc



Annual General Meeting

London - 16th Jan 2009

Operations Report

July 07 - June 08



by S. Morandi Group's CEO



Presentation Outline



- Corporate Strategy
- E&P Assets
- Operational update
 - Highlights
 - HSE
 - Gas Production & Revenues
 - E&A Drilling Results
 - Reserves & Resources
 - Value Creation
 - 2009 -2011 Operational Programme
- Details on Ombrina Mare Field



Leading independent in Italy

Acquisition of targeted assets

Large exploration, appraisal and development portfolio and programme

Turning exploration/appraisal success into production

Strong in-house technical capabilities

Differentiators

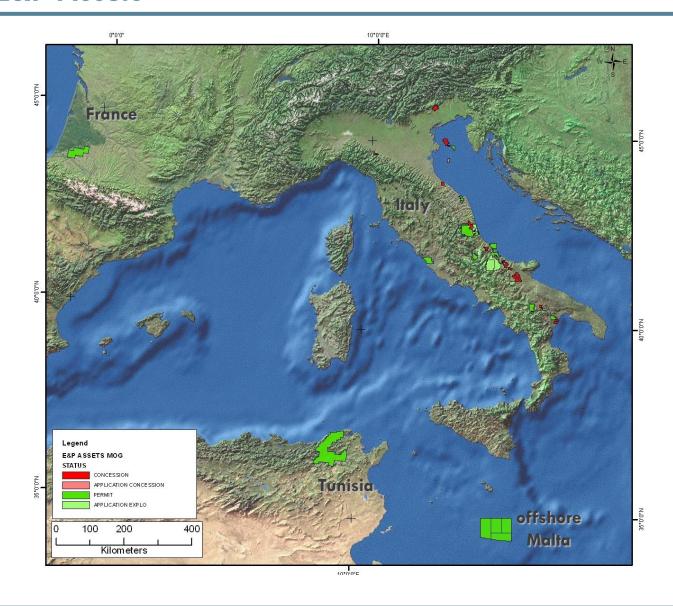
Profitable and strong cash flow from Italian E&P business Geographic focus on Italy and the Mediterranean Region Strong operational base in Italy

2 – 3 year corporate targets

Continue to increase oil and gas reserves
Increase gas production
Emphasis on growth in the Mediterranean Region
First oil and gas production from the Ombrina Mare discovery

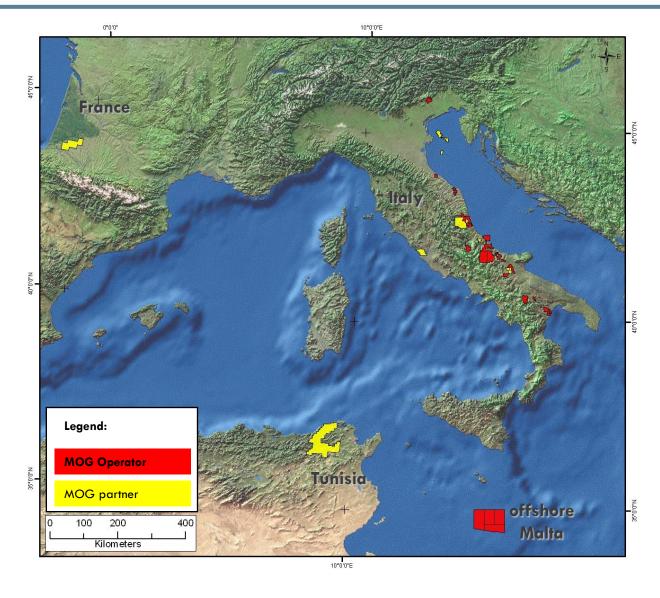
MOG - E&P Assets





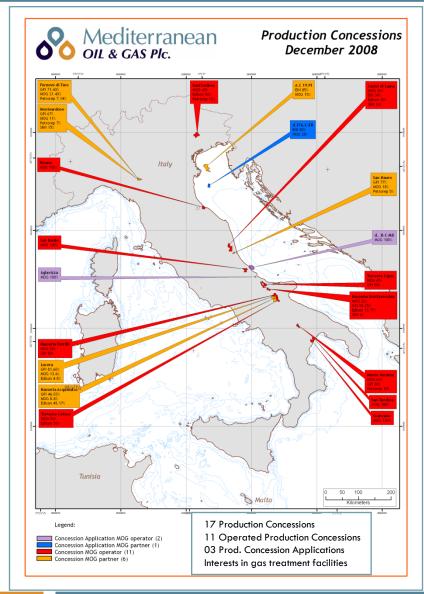
MOG - Operated and Non-Operated E&P Assets

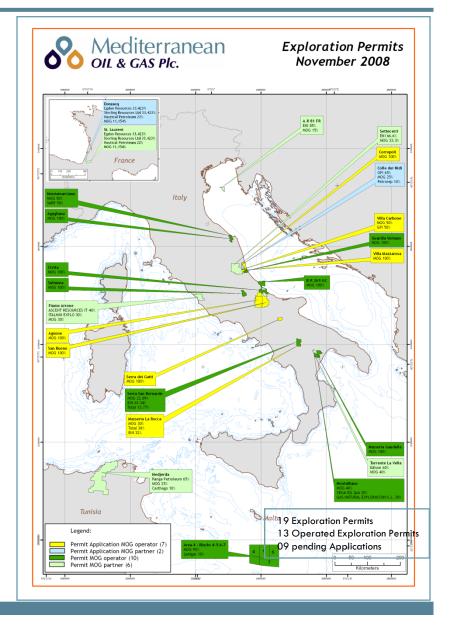




MOG - E&P Asset Details







Operational Update (1) - Highlights



Highlights in the reported period (July 07 – June 08)

- ✓ Offshore Italy Successful appraisal of the Ombrina Mare oil and gas field
- ✓ Offshore Italy Certification of 20 million barrels of proved and probable (2P) oil reserves at Ombrina Mare with OM2dir well completed as a future oil producer
- ✓ Area 4 Offshore Malta Completion of the Exploration Study Agreement on Blocks 4, 5, 6 & 7 and completion of negotiations for the Production Sharing Agreement
- ✓ Onshore Italy Acquisition of Medoilgas Civita Limited (formerly named JKX Italia Ltd)
 and the grant of the Aglavizza gas production concession
- √ Completion of a €18 million debt facility with the Bank of Scotland

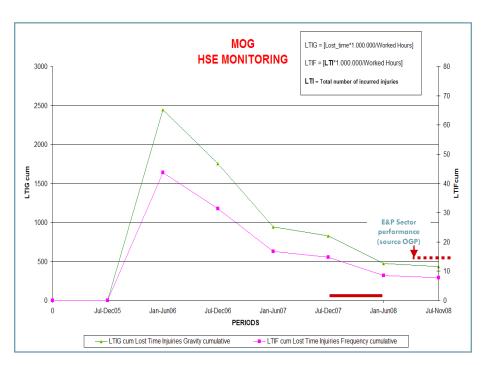
Post Period Highlights (Jul-Dec08)

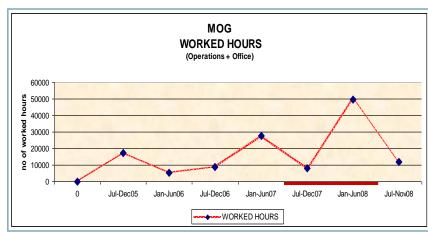
- ✓ Offshore Italy Certification of 6.5 Bcf proved and probable (2P) gas reserves at Ombrina Mare
- ✓ Area 4 Offshore Malta Execution of the Production Sharing Agreement over Blocks 4, 5, 6 & 7
- ✓ Offshore Italy Completion of platform and connecting pipes at the OM2dir site
- √ Italy Submission of the Production Concession Application at Ombrina Mare

Operational Update (2) - HSE



- ♦ Health, Safety and Environment is a MOG priority
- ♦MOG operations confirmed as safe and sustainable
- ♦ MOG performance confirmed in line with the E&P industry HSE targets
- ♦ more than <u>58,000 hrs</u> worked July 07 to June 08 by MOG as operator with no injuries



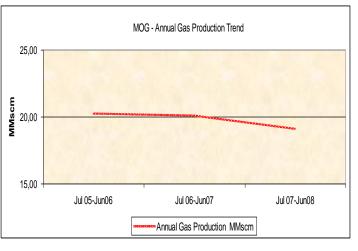


Operational Update (3) - Italian Gas Production



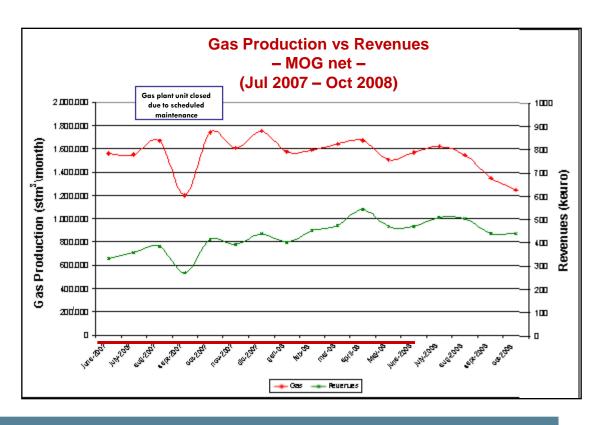
Period: July 07 to June 08

- Annual Gas Production 19.09 MMscm (674 MMscf)
- Average production of 1.59 MMscm/month (56 MMscf/month)
- ♦ A phase of lower production due mainly to shutdowns for maintenance (-14%)
- Income from gas sales sensibly increased



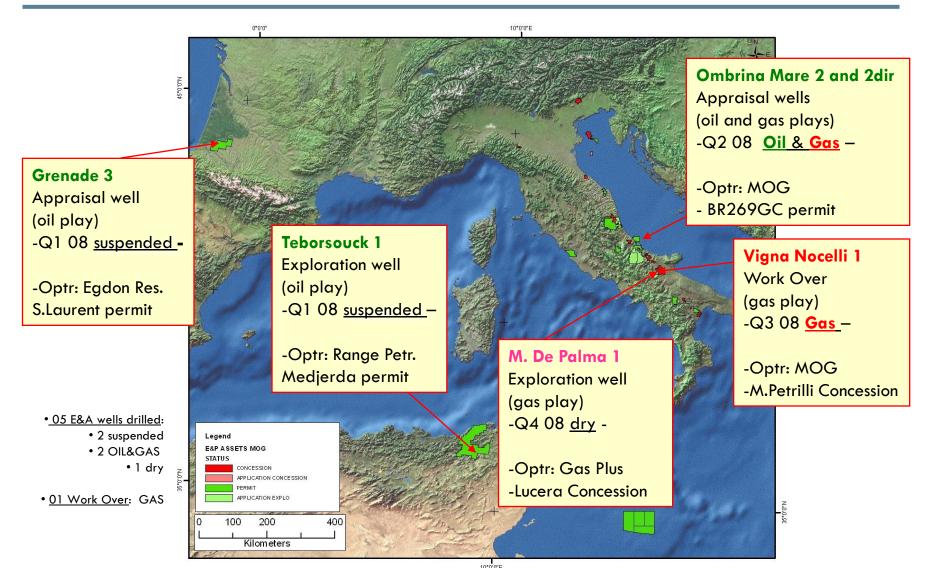
price euro cent/scm

Jul 07 - Dec07	25.87
Jan 08 - Jun08	30.87
Jul 08 - Nov08	37.04



Operational Update (4) - 2008 E&A Drilling Results







Operational Update (5) - Reserves vs Resources & Forecast Production

Update 31.12.2008

Reserves & Resources

	Oil (mmbbls)	Gas (Bcf)	Total (mmboe)
Proved + Probable	20	17	23
Contingent			
Most Likely	12	25	16
High Estimate	19	55	28
Prospective			
Most Likely	1,420	93	1,435
High Estimate	3,950	160	3,980

2P Gas reserves up 70% in 2008

no 2P Oil reserves before 2008

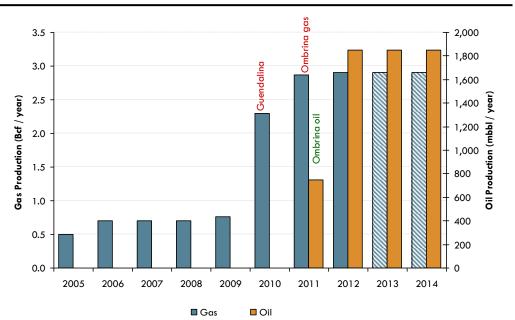
Proved + Probable:

independent certification by SIM

Contingent & Prospective:

independent certification by RPS and Company

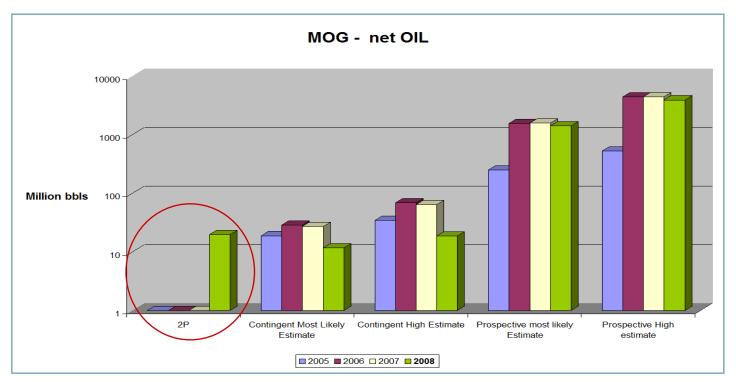
Forecast Production (base case)



2007-2008 MOG Value Creation - Net Oil (1)



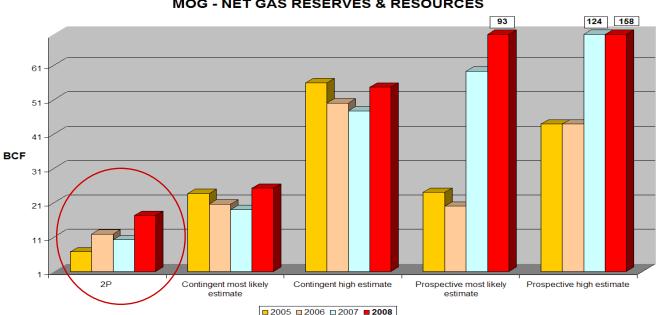
- ♦ Ombrina Mare appraisal drilling "moved" significant Contingent Resources into 2P Reserves
- 20 MMbbls of 2P reserves certified on Ombrina Mare
- Oil Resources substantially confirmed over the whole portfolio in 2008;
- ♦ Monte Grosso (Italy) and Offshore Malta are the most promising Prospective Oil Resources



2007-2008 MOG Value Creation - Net Gas (1)



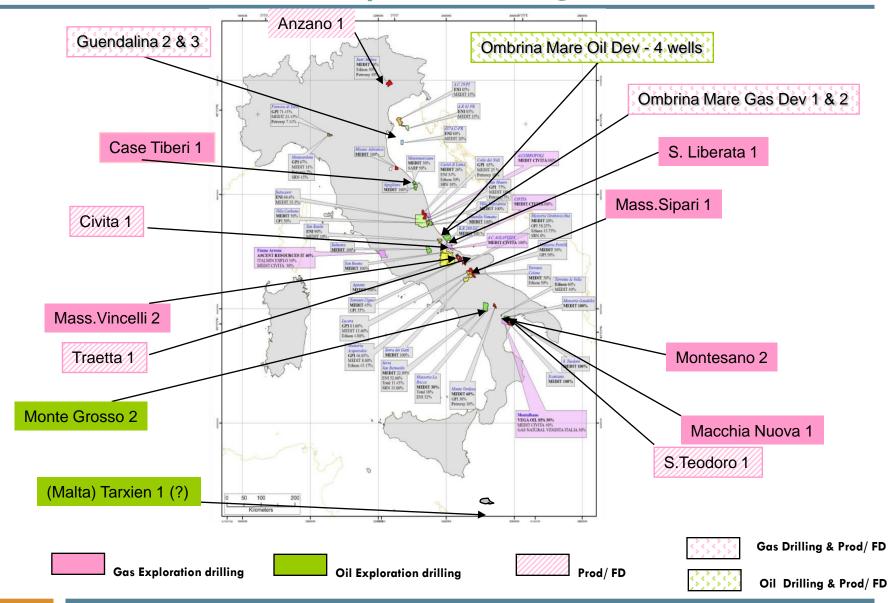
- 2P Gas Reserves increased from 10 to 17 BCF in 2008 (+ 70%) (Ombrina Mare & Civita gas fields)
- Guendalina Development on schedule in 2010
- Prospective Gas Resources strongly increased in 2008 (Ombrina Mare, Medoilgas Civita acquisition, technical reviews)
- mature E&A drilling & work-over program in the existing Exploration & Production Acreage could "move" additional gas Contingent and Prospective Resources into 2P Reserves in the near future
- In Northern Adriatic 19 to 48 Bcf of Contingent Gas Resources ready to move to P1+P2 reserves if the development of the above gas fields (presently frozen for environmental restrictions) is authorized



MOG - NET GAS RESERVES & RESOURCES

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MOG 2009 – 2011 E&P Operational Programme



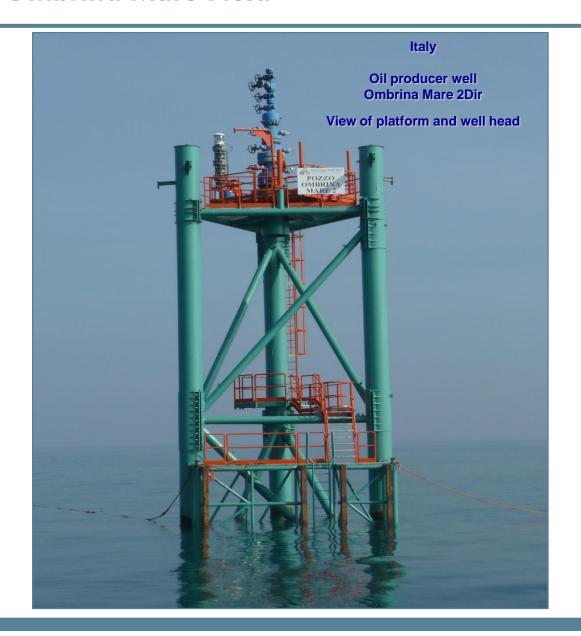
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MOG 2008 - 2011 E&P Operational Timetable

COUNTRY					OPERATOR		2008 2009 2010																		2011												
	Asset	DRILLING	projects	result			III IV	V	/I VII	VIII I)	ХХ	XI XII			v v	VI VI	II VIII	IX)	X XI	XII I	II	III IV	V	/I VII	ı VIII	IX X	XI	XII	l li	III	IV	۷	/I \	/II VII	II IX	х	(I XII
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ITALY	p BR269CG	Ombrina Mare 2 and 2dir	appraisal	Oil & Gas	MOG				Jac	ck Up	o Ga	loway																				П					
ITALY	Prod Conc	Ombrina Mare dev.	develop / appr		MOG																								Ombri	ina M	Mare de	evelo	pmer	it drill	ing		
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ITALY	p Civita	Civita Nord 1	exploration		MOG																											П		\perp			
ITALY	c T. Celone	Masseria Sipari 1	exploration		MOG																																
ITALY	p Montalbano	Montesano 2	appraisal		MOG																																
ITALY	c S. Teodoro	Macchia Nuova 1	exploration		MOG																																
ITALY	c T. Cigno	Masseria Vincelli 2	appraisal		MOG																																
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ITALY	Pro. Conc.	Ombrina Mare	Eng & Prod plants		MOG																								Ombri	ina M	/are fa	cilitie	s & l	Produ	ction	plant	
ITALY	c T. Celone	Vigna Nocelli 1	work over / develo	gas	MOG																											Ш				Ш	
ITALY	c S. Andrea	Anzano 1	built pipeline		MOG																											Ш				Ш	
ITALY	c M. Grottavecchia	Traetta 1	power generation		MOG																		Ш									Ш				Ш	
ITALY	,	Civita 1	prod plant & pipes		MOG																											Ш		\perp		Ш	
ITALY	c S.Teodoro	S.Teodoro 1	work over		MOG																											Ш					
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	MOG Operator									M	OG Pa	rtner																									

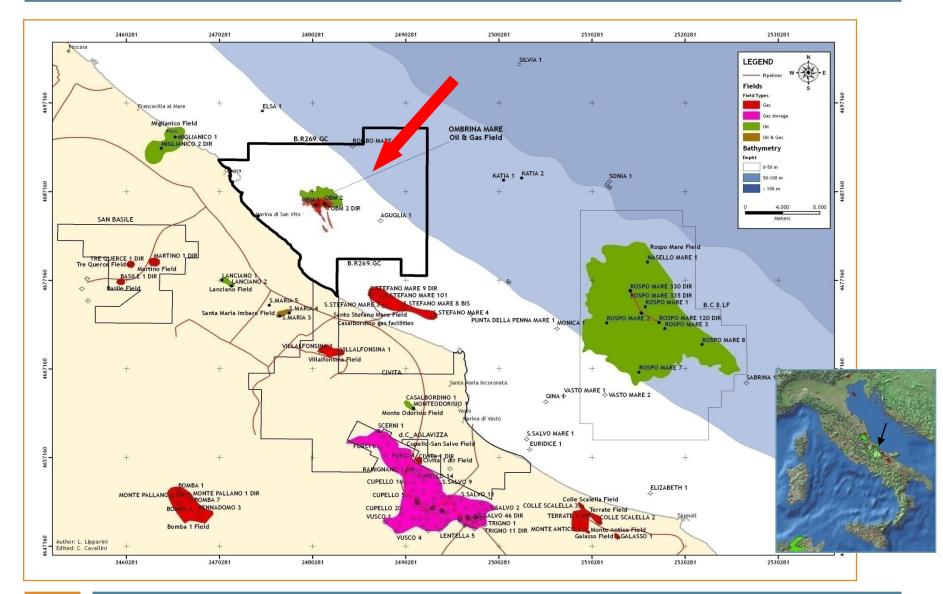
Details on Ombrina Mare Field





Italy - Ombrina Mare (OBM) Regional Context





OBM - Field summary



Technical details on Ombring Mare field

Country, Area: Italy, Adriatic Sea (Abruzzo)

Ownership: MOG (100% W.I)

Well count: OBM-1 discovery well; OBM-2 +

2dir appraisal wells

Seismic data: 2D & 3D

HC: biogenic Gas and Oil (17-19 API)

Play types: Apula Carbonate platform (oil)

Pliocene Clastics (gas)

Reservoir level/facies/age:

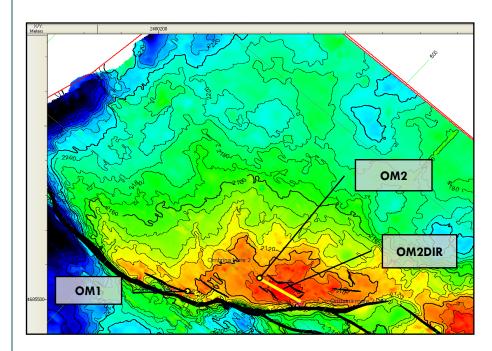
 Main target: Oligocene-Miocene carbonates (bioclastic packstone/grainstone);

Secondary Target: Pliocene sands gas complex

Oil Target Depth: 2100 m tvdss

Well OBM 2dir - Test results

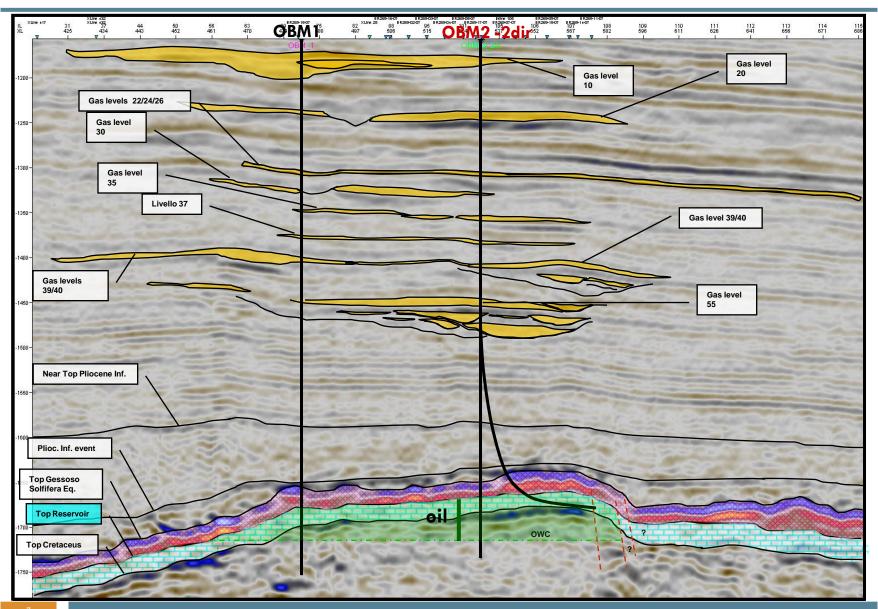
- Stabilised Oil spontaneous production after light acidification: 900 to 1,000 bbls/day
- Estimated Oil spontaneous production with gas lifting:
 >1,200 bbls/day



Top Oligo-Miocene Oil bearing Carbonate
Reservoir Depth Map

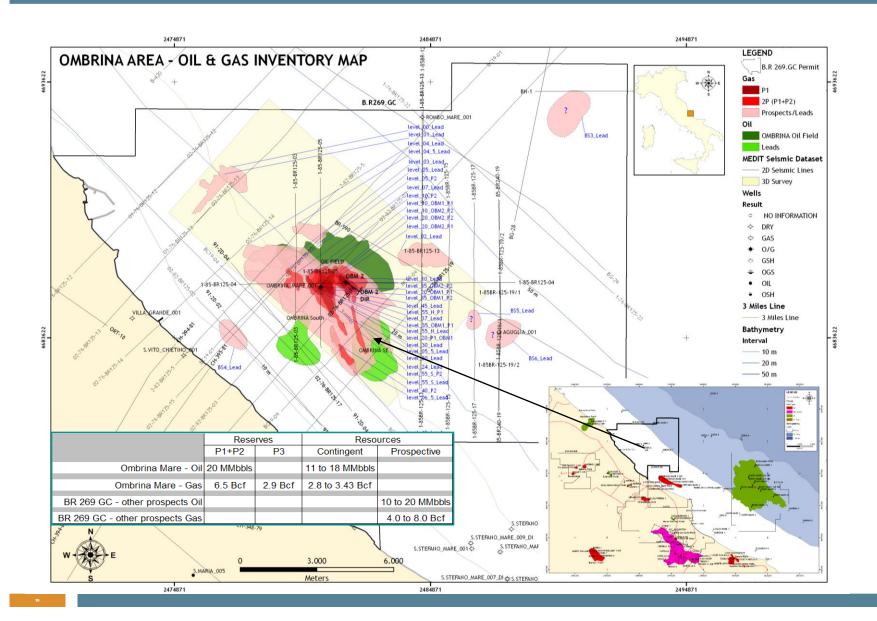
OBM - 3D Seismic Section





OBM Permit Area - Oil & Gas Inventory Map

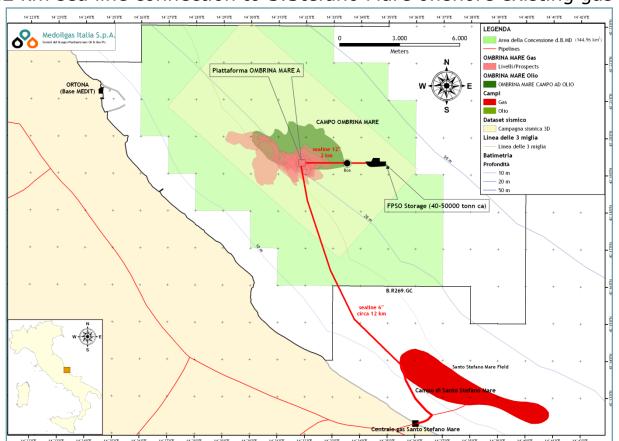




Ombrina Mare (OBM) - Proposed Field Development Plan (1)



- 1 oil & gas production Platform (A) at OBM2 location
- 5 development wells: OBM 2dir + 4 new wells with horizontal drains
- •Oil production:
 - 1 FPSO storage (40-50000 Tons) and 3 km sea line from Platform A
- •Gas production:
 - 12 km sea line connection to S.Stefano Mare offshore existing gas plant



OBM Development Plan (2)



- Application for Production Concession lodged December 2008
- Base case timetable is for construction start by Q3, 2010

- CAPEX:
 - estimated max €180 million, based on 2008 peak prices
 - anticipate opportunity for significant reduction by pricing in 2009

- OPEX estimated at €6 8/bbl
- Project Financing by early 2010

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OBM - Status & Timing

STATUS at 31st Dec 08

• Oil & Gas reserves certification: completed

Temporary Platform set up: completed

Application for Concession:
 Environmental approvals
 Concession Award
 submitted on 17th Dec 08
 expected by Q1/Q2 2010
 expected by Q3/Q4 2010

key uncertainties able to change the current Time Table scenario:

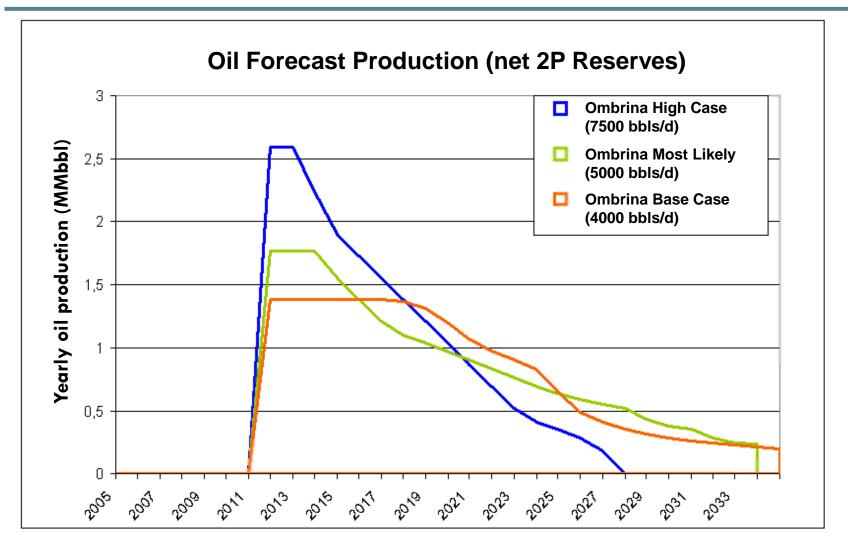
- project financing
- FPSO lease & upgrading
- Platform fabrication
- permitting

best case -Time Table updating 31th Dec 08

Business area	2008						2009												2010											2011									
	VI	VII V	/III I	X	X)	KI)	(II I	II	III	IV	V	VI	VII	VIII I	X)	K X	XII	I	II	III	IV	V	VI	VII	VIII	X X	X	I X	II I	II	III	I IV	V	VI	VII	VIII	X X	(y	(I)
Production Concession - Permittng																																							
Application preparation &submission							17																																
Environmental Impact Ass. Study	,																																				\perp	\perp	\perp
Technical Approvals																																					\perp	\perp	\perp
Application for Environmental Approvals																																							
Final Award																																					\perp		
G&G , Reservoir, Reserves																																							
Geology, Geophysics & Reservoir reviews and studies																																							
Oil & Gas Reserves Review &Certification																																							
development drilling - subsurfce G&G																																							
Oil&Gas - Engineering,Facilities																																							
FDP - Feasibility Study	-																																						
Studies, Bids & Contracts																																							
decision																																							
construction																																							
installation																																							
Oil&Gas - Development Drilling																																							
Jack Up - Market Investigation, Bids & Contracts																																							
decision																																							
drilling material purchasing																																							
development drilling operations																																							
Dil & Gas - Production start up								T																					T	T	T								







CORPORATE DIRECTORY



Joint Broker	Tristone Capital Ltd 77 Grosvenor Street London UK W1K 4QR	Operational Office	Via Orazio N. 30 Roma (00193) Italy
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Legal Advisers	Memery Crystal 44 Southampton Buildings London EJ WC2A 1AP	London Office	288 Bishopsgate London UK EC2M 4QX
Auditor	BDO Stoy Hayward 8 Baker Street London UK W1U 3LL	Website	www.medoilgas.com
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