

30 January 2009

MERIDIAN PETROLEUM plc
("Meridian" or "the Company")

Pre-Close Trading Update

Meridian Petroleum (AIM: MRP), the oil and gas exploration and production company with producing assets in the USA and exploration licences in Australia, announces that it will release its preliminary results for the year ended 31 December 2008 in mid-April, and is issuing this trading update prior to moving into the pre-results close period.

Overview of 2008

- Total net production in 2008 of 1.27 bcf of natural gas and 26,900 bbls of oil/natural gas liquids ("NGL")
 - This equates to average net production in 2008 of 654 boepd
- Gross production from the Orion field of over 1.5 bcf, at an average rate of over 4 mmcf/d, achieved with minimal unplanned downtime and no major environmental issues
- Strong cash position enhanced by over US\$650,000 of hedging gains in 2008

Current Trading

- Solid start to 2009 with net daily production in January of 2.8mmcf/d of natural gas and 77bbls/day of oil/NGL
- Major development activity planned in H1 2009 aimed at delivering a substantial increase in US gas production in H2
 - H1 development expenditure currently estimated at US\$3.5 - 4.0 million
- Company in a strong position to capitalise on a favourable environment for further acquisitions with several opportunities being evaluated

Production Update

Orion 36 Well, Michigan, USA

Average gross daily gas production (excluding downtime) in December was 4.0mmcf/d and the well produced a total of 119mmcf of gas. Production of NGL in December was 1,840 bbls. January gross production to date has averaged 3.3mmcf/d of gas and 70 bbls/day of NGL.

Net production to Meridian in December (based on a Net Revenue Interest of 54.589%) was 64.9mmcf of gas and 1,004 bbls of NGL. This equates to 11,820 barrels of oil equivalent (boe) at a daily production rate of 381 boepd.

Current typical flowing well-head pressure is in the range of 240-270 psi.

The average price for Orion gas sold during December was US\$6.51 per mcf. Although US gas prices have weakened over the second half of 2008 Meridian continues to benefit from both Michigan pricing and a 7-8% btu premium for its production, giving a substantial uplift on Henry Hub prices.

The Company's hedging contracts produced a profit of US\$150,000 in December and January hedging gains are expected to substantially exceed that level.

East Lake Verret Field (ELV), Louisiana, USA

Production from the ELV Field improved in December as production from the Kafoury 1 well recovered to previous levels. Gross gas production was 168mmcf, and gross oil production was 6,179 bbls.

Meridian's net share of production in December was 34.1mmcf of gas and 1,390 bbls of oil, equivalent to 7,073 boe at an average daily rate of 228 boepd. Average net daily production in January to date is 206 boepd.

As with Orion, the Company benefits from a pricing premium to Henry Hub for its ELV gas production.

Development Programme Update

The first half of 2009 will be a period of significant activity for the Company with a planned development spend of US\$3.5–4.0 million. The current intention is to fund this from the Company's cash resources although discussions with Macquarie on the most appropriate use of Tranche B of the loan facility will continue.

Although current US natural gas prices are weak, Meridian sees considerable scope for improved market conditions later this year and some 60% of the planned spend is focused on delivering a substantial increase in the Company's US gas production during the second half of this year. The balance of the expenditure will be on the 3D seismic survey in Australia.

Development plans for the second half of 2009 will be kept under review in the light of market conditions and the results of the first half drilling and seismic activity.

Australia

In order to commence field operations, the PEL 82 licence was brought out of suspension on 5 January. Fencing and slashing (grass-cutting) crews were immediately deployed across the 88 sq km of the survey area. There have been no issues with landholders and all necessary documentation has been completed and submitted to PIRSA (Primary Industries and Resources, South Australia).

The Terrex full surveying crew is commencing work today in preparation for the recording crew's arrival. The Terrex recording crew is currently on location in the Darling Basin and has been held up by heavy rain. It is currently scheduled to arrive at PEL 82 on 15 February to commence the 3D seismic survey.

Pontiac Well, Michigan, USA

Meridian has now received the drilling permit for the Pontiac well and the lease, participation and operating agreements have all been finalised. With rig utilisation in the US falling sharply, the Company has negotiated hard for lower daily drilling costs, and has now committed to a contract on satisfactory terms. Preparatory work at the drilling site will commence shortly and drilling is scheduled to commence during the second half of February and is expected to take approximately 15 days.

The Pontiac structure lies alongside the Orion structure and is a very similar Niagaran Reef in its geology and potential. At Orion, 3 wells were drilled vertically into the structure before the very successful optimum producer, the current Orion 36 well, was brought onstream. Pontiac will be drilled directionally into the reef along a north-south line and this is expected to enhance the prospects for success on first drilling, although provision has been made in the costings for a possible sidetrack. Not all Niagaran reefs are as successful as Orion however, and the Company currently estimates the prospects for Pontiac as 50/50. There has been increased interest in this well from other parties and in order to mitigate the risk of a dry-hole, the Company is in discussions to reduce its initial working interest from 90% to 75%. If agreed, the Company's net revenue interest would initially be 51% reducing to 38.25% once drilling and development costs are recovered.

East Lake Verret (ELV), Louisiana, USA.

Detailed plans and costings are currently being drawn up for the Company's first development well at the ELV field. The current schedule is for drilling to commence early in Q2 but final timing may depend on the speed with which partners make their consent/non-consent decisions. The undeveloped reserves at ELV were a major attraction in the acquisition in June 2008 and the Company is expecting enhanced production in the second half of this year. Discussions are underway for Meridian to acquire an increased interest in some of the ELV acreage.

Acquisitions

The current significantly lower oil and gas prices are generating an increasing number of acquisition opportunities, both for assets and companies. Meridian is currently pursuing a number of interesting prospects with a primary focus on adding proven reserves with existing production and near-term upside.

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Ed Childers, the Company's Chief Operating Officer, who meets the criteria of a qualified person under the AIM guidance note for mining and oil and gas companies, has reviewed and approved the technical information contained in this announcement.