



Tuesday 21 October 2008

**MERIDIAN PETROLEUM plc**  
(‘Meridian’ or the ‘Company’)

**Production and Reserves 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 an update on its US production in Michigan and Louisiana and a 7% upgrade in its proven reserves in the East Lake Verret Field.

**Orion 36 Well, Michigan, USA**

The Orion 36 well continued its strong performance in September although, as expected, production rates were marginally lower than the record levels seen in August. The average gross daily gas production rate (excluding downtime) was 5.4mmcf and the well produced 155mmcf of gas. Production of natural gas liquids (NGL's) during the month was 1,456 bbls.

Net production to Meridian in September (based on a Net Revenue Interest of 54.589%) was 84.5mmcf of gas and 795 bbls of NGL's. This equates to 14,878 barrels of oil equivalent (boe) at a daily production rate of 496 boepd.

At the end of September typical flowing well-head pressure was in the range of 475-500 psi.

US gas prices averaged \$8.16 per mcf for gas produced. The Company's gas hedging contracts produced a profit of \$97,000 in September.

Gross gas production so far in October has averaged around 5 mmcf/d.

**East Lake Verret Field (ELV), Louisiana, USA**

Following Hurricane ‘Gustav’ the ELV Field came back on-stream on 4 September and continued to deliver a steady performance throughout the month. Gross gas production was 148mmcf and gross oil production was 6,038 bbls. Meridian's net share of production in September was 29.1mmcf of gas and 1,213 bbls of oil, equivalent to 6,063 boe at an average daily rate of 202 boepd. Meridian’s net production in August was better than previously reported at 31.9mmcf of gas and 1,642 bbls of oil, equivalent to 224 boepd.

Meridian’s net production so far in October has averaged 1.1 mmcf/d of gas and 51 bbls/day for oil.

The Company has now received an updated review of ELV reserves from D-O-R Engineering. This review has added further proven reserves of some 50,000 boe, a 7% increase.

### ELV Net Reserves

	Natural Gas mmcf	Oil '000 bbls	Total Hydrocarbons '000 boe
<b>Proven Reserves</b>			
Total at 1 March 2008	2617	332	768
Production 1 March to 30 Sept 2008	224	11	48
Projected Total at 1 Oct 2008	2393	321	720
<b>Updated Total at 1 Oct 2008</b>	<b>2455</b>	<b>362</b>	<b>771</b>
<b>Increase/(Decrease)</b>	<b>62</b>	<b>41</b>	<b>51</b>
<b>Probable Reserves</b>			
Total at 1 March 2008	771	123	252
<b>Updated Total at 1 Oct 2008</b>	<b>682</b>	<b>121</b>	<b>235</b>
<b>Increase/(Decrease)</b>	<b>(89)</b>	<b>(2)</b>	<b>(17)</b>

### Stephen Gutteridge, Chairman of Meridian, said:

*"We have started our second year of production from Orion with another strong monthly performance. Combined with the steady contribution from ELV we continue to experience the strong cash flows that are vitally important in the current difficult financial environment. With both financing and valuable hedging contracts in place, we are well positioned to acquire further assets and to pursue our current development plans."*

### For further information contact:

**Meridian Petroleum** +44 (0) 207 811 0140  
Stephen Gutteridge, Chairman

**Ambrian Partners** +44 (0) 207 634 4711  
Tim Goodman

**Financial Dynamics** +44 (0) 207 831 3113  
Ben Brewerton / Ed Westropp

## Notes on Reserves and Production

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.

In approving the reserves information contained in this announcement, Ed Childers and the Company have had access to information on the East Lake Verret Field prepared by independent petroleum consultants, including reserves estimates prepared in accordance with the standards adopted by the Society of Petroleum Engineers.

## Glossary of Terms

bbls	Barrels (of oil)
cf	Cubic feet (of natural gas)
mmcf	Million cubic feet (of natural gas)
boe	Barrels of oil equivalent (natural gas converted at 1 boe = 6000 cf)
NGL's	Natural Gas Liquids
NRI	Net Revenue Interest