

22 December 2008

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

Operations 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 the Company's current activities.

Summary

Production performance from the Company's US assets in Michigan and Louisiana is continuing to meet expectations. Production in November averaged some 650 barrels of oil equivalent per day (boepd). Despite falling energy prices over the past few months, cash generation remains strong and cash in hand currently exceeds US\$3.5 million. The Company's hedging contracts have a current mark to market value of just under US\$2 million and the Company has repaid US\$1.3 million of its current loan facility over the past 3 months.

Looking forward, lower energy prices, particularly for natural gas, are already affecting drilling and development activity in the US and are likely to continue to do so in the short-term. The Company will continue to review its development plans and acquisition possibilities, but presently sees an opportunity in the current climate to move forward as quickly as possible with its drilling plans and to seek out good quality assets, while continuing to prudently control costs.

Orion 36 Well, Michigan, USA

November was another good production month for Orion 36. Average gross daily gas production (excluding downtime) was 4.4mmcf and the well produced a total of 131mmcf of gas. Production of natural gas liquids (NGL's) in November was 1,725 bbls.

Net production to Meridian in November (based on a Net Revenue Interest of 54.589%) was 71.6mmcf of gas and 942 bbls of NGL's. This equates to 12,875 boe at a daily production rate of 429 boepd.

At the end of November typical flowing well-head pressure was in the range of 325-350 psi. With compression facilities available on-site, we expect to be able to successfully produce Orion 36 down to very low flowing well-head pressures.

The average price for Orion gas sold during November was US\$7.24 per mcf.

The Company's hedging contracts produced a profit of US\$133,000 in November.

East Lake Verret Field (ELV), Louisiana, USA

Production from the ELV Field fell slightly in November with restricted production from the Kafoury 1 well for some 5 days in mid-month. Gross gas production was 155mmcf, and gross oil production was 6,242 bbls.

Meridian's net share of production in November was 31.3mmcf of gas and 1,402 bbls of oil, equivalent to 6,619 boe at an average daily rate of 220 boepd.

Development

Pontiac Prospect (formerly Orion2), Michigan, USA

The Orion 2 prospect has now been renamed Pontiac. Final negotiations on the leasing arrangements have taken a little longer than expected but have now been concluded and agreements are being prepared for signature. As a result the Company will have an initial 61.2% net revenue interest, falling to 45.9% once drilling and development costs are recovered. The drilling permit is expected shortly and drilling costs are currently estimated at US\$850,000. Discussions with Macquarie Bank on the optimum funding approach, and with drilling contractors on timing and cost, are well underway, and subject to these, we expect drilling to commence in January 2009.

East Lake Verret, Louisiana, USA.

In Louisiana further progress has been made with unitisation, and detailed geological and geophysical studies have been completed.

Australia

The 3D seismic survey on our PEL 82 prospects in Australia remains on schedule to commence late January/early February 2009. Results from the survey are expected in May.

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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.