

29 April 2009

**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.

**Development Programme**

**Pontiac Well, Michigan, USA**

The Pontiac exploration well has been drilled to target depth but did not encounter a hydrocarbon bearing reef formation. As a low-cost, 50/50 prospect, the Company is disappointed but not unduly surprised by the outcome. Meridian has therefore decided not to expend further cost and effort on the well. As previously announced, the Company had reduced its working interest to mitigate the risk of a dry hole and will be offsetting most of the drilling cost against tax. Consequently, the net cash impact on the Company will not be material.

**East Lake Verret, Louisiana, USA**

The focus of the Company's US drilling programme will now switch to the East Lake Verret Field in Louisiana. Detailed extracts from the latest Competent Person Report on East Lake Verret by DOR Engineering (as at 1 January 2009) will be posted on the Company's website today.

These show:

- Total Proved Reserves of 2.629 bcf of natural gas and 360,000 bbls of oil
- Proved Reserves are higher than those attributed to the Company's interest on acquisition date (1 March 2008) giving full replacement of 10 months of production
- Over 60% of these proved reserves are currently undeveloped

Over the remainder of this year, the Company plans to implement a drilling programme to bring a substantial proportion of these reserves on-stream. Two potential wells have already been identified, each of which will have a better prospect of success than the Pontiac well, and further locations are being evaluated. There are a number of issues to be addressed before drilling can commence, such as completing the unitisation process and obtaining partner agreement, particularly as one location will require an existing, producing well to be shut-in. The current target is to increase net production by at least 50% from the existing level of 225 barrels of oil equivalent per day ("boepd") by the end of 2009.

## **Australia**

Following completion of the PEL 82 3D seismic survey last month, processing of the 3D data is well underway and initial first pass results are expected to be available to the Company within the next 3 to 4 weeks.

## **Production**

### **Orion 36 Well, Michigan, USA**

Average gross daily gas production (excluding downtime) was 2.4 mmcf in March and an estimated 1.95 mmcf in April.

Net production to Meridian in March (based on a Net Revenue Interest of 54.589%) was 39.2 mmcf of gas and 1,111 bbls of liquids. April net production is expected to be 32.0 mmcf of gas and 820 bbls of liquids. This equates to daily production rates of 246 boepd and 205 boepd for March and April respectively.

Current flowing well-head pressure is in the range of 175-185 psi.

The average price for Orion gas sold in March was US\$4.33 per mcf, and in April US\$4.07 per mcf.

The Company's hedging contracts are expected to produce profits of around US\$435,000 for the two months in total.

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

ELV has continued its consistently good performance in 2009. Meridian's net production in March was the highest month this year at 33.6 mmcf of natural gas and 1,387 bbls of oil. April production has been at similarly good levels and the average daily rate of production over the March-April period was 227 boepd.

## **Annual report and Accounts**

The Company's Annual Report and Accounts for the year ended 31 December 2008 will be mailed to shareholders on Tuesday 5 May 2009 and will be posted on the Company's website on the same day. Notice of the Company's Annual General Meeting will be included in the Annual Report and Accounts and will be held on 18 June 2009.

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

"Naturally we are disappointed with the Pontiac well, but we were prudent enough to recognise the risks, indicate them clearly to the market, and scale down our interest accordingly. It was a low-cost play and we will exit the well with a minimal cash cost and no impact on the Company's future development plans.

"The next stage in our 2009 drilling programme will be the further development of ELV. These wells offer better chances of success than Pontiac and, in contrast to that well, we are looking to increase our working interests where possible. We remain committed to our strategy of delivering value to shareholders by investing in the development of our existing assets and pursuing attractive acquisitions."

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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.

- Ends -