

Monday 29 June 2009

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

Sale of Orion Interest

Meridian Petroleum (AIM: MRP), the oil and gas exploration and production company with producing assets in the USA and exploration licences in Australia, announces the sale of its working interest in the Orion 36 well, Michigan, USA.

Meridian has concluded an assignment contract with Wellmaster Production Company ("Wellmaster") whereby Wellmaster will acquire Meridian's 72.75% working interest in the Orion 36 well, together with the associated leases and production facilities, for US\$207,000. The contract is effective from June 10 2009. The sale will have no impact on the Company's hedging contracts.

The Orion 36 well has been in production since August 2007 and has produced over 2 bcf of natural gas together with associated natural gas liquids. Meridian invested approximately US\$4 million in the well and the production facilities, and successfully recovered that investment by mid 2008, at which point Meridian's net revenue interest reverted to 54.589%.

According to independent estimates by RPS Energy, remaining gross natural gas reserves are less than 300 mmcf and production will cease some time in Q4 of 2009. There will be abandonment and clean-up costs, expected to be in the range of US\$75,000 – 100,000 and most of the on-site equipment is leased from Wellmaster, leaving little of residual value to the Company. The reduction in the Company's proved and probable hydrocarbon reserves as a result of the sale will be less than 3% (30,000 barrels of oil equivalent)

As a sour gas well, Orion 36 has always been high cost operationally, and based on current US gas prices, the Company is currently forecasting that future net cash flow from Orion production would only be sufficient to cover abandonment and clean-up costs. The sale will therefore deliver total cash-flow benefits in excess of US\$250,000 which will be used to further reduce debt.

Wellmaster is the contract operator for the well and already owns a 25% working interest. It provides much of the equipment and labour resources, and is in the best position to manage the final months of production.

Stephen Gutteridge, Chairman of Meridian, said:

"Orion has been a very successful well for the Company and enabled us to acquire the much larger, lower cost and longer-lived reserves at East Lake Verret ("ELV") last year. We have also re-invested cash generated by Orion in drilling and seismic projects. As recently announced, we now have much larger prospects under development in ELV, which the Board believes will significantly increase our current production levels."

For further information contact:

Meridian Petroleum

Stephen Gutteridge, Chairman

+44 (0) 207 811 0140

Evolution Securities

Robert Collins, Adam James, Tim Redfern

+44 (0) 207 071 4300

Financial Dynamics

Ben Brewerton/Ed Westropp

+44 (0) 207 831 3113

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 -