

24 August 2009

MERIDIAN PETROLEUM plc
(“Meridian” or “the Company”)

Drilling Update

McKerall 3 well suspended

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 has suspended its McKerall 3 well in the East Lake Verret Field (“ELV”) in Louisiana, USA.

Drilling of the McKerall 3 well commenced on 2 August and proceeded on schedule reaching the primary target of the Operc sands on 21 August where gas shows were evident. There were no hydrocarbon shows in the Rob 5 sands. The well was logged, and it was determined that the potential pay-zone in the well was insufficient to justify the cost of completion. However, it is highly likely that sufficient pay could be accessed by side-tracking the well. However, the Company is unable to implement a sidetrack without infringing the terms of the farm-out agreement due to the close proximity of a lease line. Consequently the decision was taken to suspend the well, leaving 3000 feet of casing and a well-head in place to facilitate a future re-entry of the well. Total drilling costs, including the cost of suspending the well, are expected to be less than US\$1.8 million with Meridian’s share being around 60%.

Stephen Gutteridge, Chairman of Meridian, said:

“The suspension of the well is a setback in our plans to add further immediate production, but there remains a viable well at this location once we have addressed the broader unitisation issues. We also have further potential in ELV to work on. The next step will be to seek to increase output from the McKerall 1 well, which we believe can be done at low-cost by combining it with a work-over of the Kafoury 2 well. We are also working on the potential in deeper zones in the field. With the 7 year low in US natural gas prices at present, we will be cautious on further spending, but we do see scope for a recovery in prices next year.”

For further information contact:

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

Evolution Securities +44 (0) 207 071 4300
Robert Collins, Adam James, Tim Redfern

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

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.