

13 November 2007

Meridian Petroleum plc
("Meridian" or "the Company")

Operations Update

Meridian Petroleum (AIM: MRP) announces an update on its operations in the United States.

Orion 36

The Orion 36 well continues to perform strongly. The Company is gaining valuable experience in the operation of the complex de-sulpherisation facilities on the site, and a greater awareness of costs and the optimisation of production profiles.

Following our last update on 17th October 2007, we continued to increase production to 3.7 mmcfd with wellhead pressures of 800 psi. The Company and its operator maintain the view that the well can produce significantly more than this, but for various reasons outlined below, it has not yet pushed production beyond this level.

The processing facility utilises two large Sulfatreat towers which are used to eliminate the H₂S in the gas stream. Regulatory and operational procedures require that the material in these towers is closely monitored and changed at regular intervals. Prolonging the life of this material will keep costs down and consequently from late October we have been testing the rate of deterioration in the Sulfatreat at different flow levels between 1 and 3.5 mmcfd. As a result of these tests, average production since then has been around 2.5 mmcfd and at this level of production wellhead pressure has increased to some 1100 psi. We are now of the view that the first change-out of the sulfatreat material will take place within the next 2 weeks.

Since start-up on 24 August 2007 the Orion 36 well has produced some 180 mmcf of gas and over 2500 bbls of natural gas liquids (NGL).

Average daily gas production rates by month (allowing for downtime) for the last quarter at Orion were:

August	1.55mmcfd
September	2.55mmcfd
October	3.15mmcfd

Production of NGL has steadily increased since start-up and is now averaging around 50 bbls/day. These liquids are of reasonable quality for refiners and the

first load was priced at over \$55/bbl, around 70-75% of the West Texas Intermediate price (WTI) at the time. However with the subsequent rapid increase in WTI towards \$100/bbl, the Company does not expect to receive such a high percentage of WTI for subsequent loads.

The Company has completed all the tests required by the State and Federal Authorities and expects to receive confirmation of the Company's production permit and allowable flows shortly.

Compliance with these requirements resulted in 4 days of downtime in October but the Company views this as exceptional. Based on operational experience to date (including some downtime in November), the Company estimates that an average downtime of approximately two days per month for maintenance and material replacement is likely.

The Company has now completed its assessment of the total capital expenditure cost of bringing Orion 36 on-stream at \$3.5 million. In addition to this sum, certain major items of equipment are being leased at a cost of some \$30,000 per month. In accordance with the partnership agreement, the Company will retain 97% of revenues net of costs, taxes and over-riding royalties until the \$3.5 million is recovered and 72% thereafter.

Revenue from Orion 36 continues to benefit from the sustained high prices for WTI and natural gas and at the 3.5mmcf/d output level which was comfortably maintained during the second half of October, daily gross revenue was in excess of \$30,000.

Milford 36

The extended test of the Milford 36 well has been delayed by commercially sensitive discussions with certain minority partners who are reluctant to contribute to the cost of the well test. The Company, supported by the operator, Wellmaster, has now pushed ahead and issued the AFE and cash-call, and expects to resolve the situation shortly. The expected outcome is that the Company's net revenue interest in the well is likely to increase from 29% to over 40%.

Ed Childers, whose appointment as the Company's new Chief Operating Officer (COO) was announced yesterday, will oversee the test and a further update will be issued in due course.

Calvin Field

As previously announced, the COO has significant experience of operations in Louisiana and will be reviewing our approach to developing the Calvin Deep prospects with our partner Ensign. Our current plan remains the re-entry of the 5-29 well in Q1 of 2008, and a more detailed update will be issued once this review has been completed. The Calvin 36-1 well continues to produce steadily but at less than 50mcf/d.

Stephen Gutteridge, Chairman of Meridian Petroleum, said:

"This is a comprehensive update which gives an insight into the detail of our operations at Orion. We now have nearly three months of important operating experience, during which output of both gas and liquids has steadily trended upwards. Based on this experience, we believe that higher output levels are achievable, but with only one significant producing asset at present, we will not take any unnecessary risks. Beyond Orion, there is short-term potential for incremental production from Milford 36, sizeable medium-term upside from the Calvin 5-29 re-entry, and beyond that Calvin deep gas and CBM. We intend to develop the business at a pace we can afford, and we are looking to underpin future value with good cash-flow and increased P1/P2 reserves, supported by strong technical ability and a prudent approach to planning."

John Randell, who works for Wellmaster, Inc., is an independent contractor who meets the criteria of a qualified person under the AIM guidance note for mining, oil and gas companies, has reviewed and approved the technical information contained in this announcement with respect to Orion.

Ends

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