



1st July 2008

**MERIDIAN PETROLEUM plc
(‘Meridian’ or the ‘Company’)**

Completion of Acquisition and Debt Facility Agreement

Further to the announcement made on 12th June 2008, Meridian Petroleum plc (AIM : MRP), the US-focused oil and gas exploration and production company, announces that it has completed its acquisition (the “Acquisition”) of 60% of Rozel Energy’s interests in the East Lake Verret (ELV) Field in South Louisiana, USA.(the “Acquired Interests”).

The agreed cash consideration for the Acquired Interests was \$9.84 million based on an effective date of 1 March 2008. This consideration was adjusted to reflect the operating cash flows generated by the ELV Field in March and April 2008, and the adjusted consideration paid was \$8.95 million. Transaction costs of the Acquisition are estimated at \$600,000.

The Company will assume the operatorship of the ELV Field with effect from 1 July 2008. The ELV Field is currently producing at a gross daily rate of 5 mmcf of gas and 250 bbls of oil. The Company’s net current production is 1 mmcfd of gas and 60 bbls/day of oil.

The Company also announces that it has concluded a Debt Facility Agreement with Macquarie Bank Limited (“MBL”), which provides the Company with up to \$50 million of funding for acquisitions and asset development. The first tranche of \$9 million has been drawn down to fund the Acquisition and associated transaction costs and in accordance with the agreement, warrants over 9 million ordinary shares in the Company have been granted to MBL at an exercise price of 9.29 pence per Meridian share.

The second \$6 million tranche of the facility, available subject to MBL approval, will provide the Company with funding to develop the proven undeveloped hydrocarbon reserves in the ELV Field, and to pursue other attractive drilling opportunities currently being assessed by the Company. Over the next few months the Company expects to firm up plans for a drilling programme of up to 3 wells on the ELV Field. The remaining \$35 million of the facility is currently uncommitted.

Stephen Gutteridge, Chairman, said ‘We are delighted to have completed the acquisition of the Rozel interests in the ELV field, and we are looking forward as operator to further developing the potential in the field. With the financial support

of the \$50 million facility provided by MBL, we have an opportunity to drive rapid growth in our production and reserves. We are now a company in a strong position with diversified gas and oil production, good cash-flow, short-term opportunities in the US and a plan to fully evaluate the substantial potential in our Australian licences.'

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.

For further information contact:

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