



25 September 2008

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

Proposed 1 for 6 Share Consolidation

Meridian Petroleum, the oil and gas exploration and production company with producing assets in the US and exploration licences in Australia, announces that it intends to consolidate its ordinary share capital on a 1 for 6 basis. At the same time the Company also proposes to increase its authorised share capital and to renew the the Directors' authority to issue shares.

The primary aims of the proposed Consolidation are as follows:

- To improve the marketability of the ordinary shares and enhance the potential to attract a broader range of investors;
- To enable the Company's shares to trade at a market price that is at a level more in line with that of other comparable listed oil and gas companies;
- To potentially reduce the spread between the bid and offer price for the Company's shares as a proportion of the share price; and
- To remove the potential for the Company to be perceived as a "Penny Stock".

The Company is also proposing that:

- The Company's authorised share capital be increased from the current nominal amount of £7.5 million to £10.5 million; and
- The current Directors' authorities to issue shares and to disapply pre-emption rights be renewed.

The share consolidation, the increase in authorised share capital and the renewal of Directors' authorities are all subject to the approval of Shareholders and a General Meeting of the Company will be held to consider the proposals at the offices of Grant Thornton at 4.00 pm on 23 October 2008.

Copies of the Company's Notice of General Meeting, Form of Proxy, and a Circular containing details of the proposals will be mailed to shareholders within the next 48 hours.

Upon implementation of the Share Consolidation, Shareholders on the register of members of the Company at the close of business on the Record Date of 23 October 2008, will exchange 6 Existing Ordinary Shares for each New Ordinary Share and so in proportion for any other number of Existing Ordinary Shares then held. Fractions of New Ordinary Shares arising on consolidation will be aggregated and sold in the market with the proceeds retained for the benefit of the Company. The proportion of the issued ordinary share capital of the Company held by each Shareholder following the Share Consolidation will, save for fractional entitlements, be unchanged.

Following implementation of the Consolidation, the new ordinary shares will have identical rights to those currently held by the existing ordinary shares. The terms of all outstanding options and warrants will be adjusted accordingly.

Application will be made in due course for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the New Ordinary Shares will take place on 24 October 2008.

For further information contact:

Meridian Petroleum	+44 (0) 207 811 0140
Stephen Gutteridge, Chairman	
Ambrian Partners	+44 (0) 207 634 4711
Tim Goodman	
Financial Dynamics	+44 (0) 207 831 3113
Ben Brewerton / Ed Westropp	

www.meridianpetroleum.com.

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