

**4 January 2008**

**MERIDIAN PETROLEUM PLC**  
("Meridian" or the "Company")

**Orion 36 Production Update**

Meridian Petroleum (AIM: MRP) announces an update on its Orion 36 well in Michigan, USA, in which it has a 75% Net Revenue Interest (NRI).

**Key Points**

- Allowable production permit for 4mmcf/d granted by Michigan Regulatory Authority
- Total gas production in 2007 of approx. 300mmcf, an average of 2.6mmcf/d
- Total Natural Gas Liquids (NGL) production in 2007 of approx. 4250bbbls
- Strong performance in December with a new peak flow rate of 3.98mmcf/d
- Current production level of over 3.7mmcf/d as we enter the New Year
- First Sulfatreat change-out completed in November

The Michigan Public Service Commission (MPSC), the regulatory authority for Michigan State's oil and gas producers, has granted an initial allowable permit for an average production level of 4mmcf/d for the Orion 36 well. This permit is for a period of 4 months from end December 2007.

Production levels in December were good, reaching a peak of 3.98mmcf/d in mid-month. Since mid-December the Company has been assessing reservoir performance whilst sustaining a minimum wellhead pressure of 800psi. The results have been excellent with average flow rates of around 3.5mmcf/d during the second half of the month and a current rate of over 3.7mmcf/d.

Total production from Orion 36 in 2007 was just less than 300 million cubic feet of gas, at an average of 2.6mmcf/d, and some 4250bbbls of NGL.

During November, the initial change-out of the Sulfatreat material was completed. A small number of odour complaints caused by the process were dealt with by the operator, Wellmaster, and as a precautionary measure, production was held back whilst steps were taken to further minimise the risk of emissions, both during normal production and during Sulfatreat change-out. These steps included the installation of a new flare system and a Sulfatreat

cleansing process that can be implemented prior to the next change-out. As a result of this prudent, minimum risk approach, average gas production for November was slightly lower than we anticipated at approximately 2mmcf.

The Company currently estimates that Sulfatreat changes are likely to be required for each 200mmcf produced. The change-out process is costly and increases the risk of odour emissions and consequent regulatory investigation. As a result, the Company is implementing further investment at Orion, specifically in polishing sponges, which we anticipate will extend the life of the Sulfatreat material, reducing both risks and operating costs.

**Average production levels for November and December (allowing for downtime)**

	Gas	Natural Gas Liquids
November	1.96mmcf	41bbls/day
December	2.96mmcf	47bbls/day

With continued firm energy prices in the US, current daily gross revenue from Orion 36 at the end of 2007 is in excess of \$32,000.

**Stephen Gutteridge, Chairman of Meridian Petroleum, said:**

"The Orion 36 well continues to perform consistently well and we continue to gain valuable information on reservoir and operational performance. The allowable production level in our permit supports our view that the well is potentially capable of producing at over 4mmcf and reflects confidence in Meridian and our partners Wellmaster as producers of sour gas. We remain very aware of our responsibility for safety and the environment and will continue to invest in improvements to our operations. Since coming on-stream in August 2007 the total gas production from Orion of 300 million cubic feet with a gross value of well over \$2 million is a significant achievement, and one that marks us out from most other small AIM-listed oil and gas companies."

Ed Childers, the Company's Chief Operating Officer, 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.

- ends -

**For further information contact:**

Meridian Petroleum Plc  
Stephen Gutteridge, Chairman  
+44 (0) 20 7811 0140

Ambrian Partners  
Tim Goodman  
+44 (0) 20 7776 6400

Parkgreen Communications  
Simon Robinson  
Erica Nelson  
+44 (0) 20 7851 7480