



12th June 2008

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

Operations Update

Meridian Petroleum (AIM: MRP), the US-focused oil and gas exploration and production company, announces an operations update.

Orion 36 Well, Michigan USA

Monthly production for May was at a new record level of 147mmcf at an average daily rate (allowing for 1 day of downtime) of 4.9mmcf/d. Production of natural gas liquids during the month was 1676bbbls. Following the acidisation of the well in late April, flowing well-head pressure during May was in the range 850 – 915 psi.

We have just commenced the next change-out of sulfatreat and this will be spread over several days. Production levels during the early part of June have averaged 4.5 mmcf/d.

US gas prices have been very strong during May and early June. The average price received for gas in May was \$12.40 per mcf of gas produced and the average to date in June is over \$13 per mcf.

With good production levels and strong prices, the Board now anticipates that the capital expenditure on Orion of some \$4million will be fully recovered within the next few weeks and the Company’s Net Revenue Interest will fall from 72.785% to 54.589% at that time

Milford 36 Well, Michigan, USA (MRP Working Interest 30%)

At the end of April, we announced that results from the extended test of the Milford well were inconclusive and that we were intending to open up an extra 10 feet of pay and acidise the well over a 35 feet perforated interval.

The operator’s crew returned to Milford following acidisation of the Orion well and this work has now been completed. However, following a pump failure a few days ago, we have not yet completed operations to remove the fluids from the acidisation process. Once we have completed pumping we will re-test gas flow rates to see if there has been any improvement. At this stage we do not have any additional information that would confirm the potential for oil in the well and, as stated previously, our expectations for a commercial well remain low.

Australian Licences

Following our decision to shoot seismic over the PEL 82 licence, we have tendered the contract to Terrex Seismic and we expect their response shortly on cost and timing (anticipated Q1 2009).



The Company has noted the considerable level of interest in Australian gas reserves recently with major companies such as Shell, Petronas and BG Group looking to invest in reserves. We are therefore re-evaluating our options for the PEL 132 licence in the Arrowie basin which contains the Delores gas prospect. Whilst we are prepared to consider proceeding independently with plans for this prospect, the increased interest in Australian gas may provide an opportunity for us to secure a partial sale or farm-out of the licence on attractive terms and we will fully consider any such opportunities.

Stephen Gutteridge, Chairman, said:

'Orion has delivered excellent cash-flow to the company over the past 6 months, enabling us to contemplate options which were not affordable a few months ago. Over the same period we have seen significant increases in oil and gas prices which are changing perceptions of value and opportunity. An example of this is Australia, which is becoming a particularly exciting opportunity for Meridian, and where we are now in a strong enough position to consider retention of 100% of the value for our shareholders and to only consider sales and farm-outs which fully value those assets.'

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.

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For further information contact:

Meridian Petroleum Plc	Ambrian Partners	Parkgreen Communications
Stephen Gutteridge, Chairman	Tim Goodman	Ana Ribeiro
+44 (0) 20 7811 0140	+44 (0) 20 7634 4711	+44 (0) 20 7851 7480