



**29<sup>th</sup> May 2008**

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

### **Update on Australian Licences**

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

In December 2007 the Company announced that it had signed Heads of Agreement to sell its Australian assets to Eaton Equity Partners (BVI) Limited, a company in which Tony Mason, former CEO of the Company , has an interest. In its Preliminary Results announcement of 16 April 2008, the Company announced that these discussions had expired.

The Company is committed to ensuring that its obligations under the terms of its licences in South Australia are met, and in particular has focused on what is required for the PEL 82 licence in the Otway Basin, which currently expires in May 2009.

The Company has therefore taken the following steps:

- The data on the PEL 82 licence has been reviewed by RPS Energy, Australia
- The Company's Chief Operating Officer has engaged in a series of meetings in Australia with representatives of the government of the State of South Australia , technical advisers and other relevant parties.
- The Company has committed to shoot a seismic programme, probably 3D, over some 70-90 square kilometers of the PEL 82 licence. The availability of seismic crews is tight for the coming Australian summer period, but the Company shortly expects to receive confirmation that we have secured a slot in the first quarter of 2009. The cost of this seismic programme is expected to be approximately US\$2.5 million.

The PEL 82 licence contains 3 attractive potential oil-bearing structures. Whilst highly prospective in nature, the reports available to the Company from independent and State geologists indicate the possibility of sizeable oil resources in each of these structures. The 2 key objectives of the seismic programme will be to provide better quantification of this potential and identify optimum drilling locations. The Board also believes that the value of the PEL 82 licence will be enhanced by the seismic programme as it will provide potential partners with better information and will enable us to renew the licence for a further 5 years.

The Company's licences are of interest to other parties, and the Company recently received a further offer to purchase them. This offer was less attractive than the offer previously tabled and given the progress made by the Company and the significant increase in oil prices in recent months, the Board has rejected the offer as unattractive.

Whilst the Company's primary focus at present is on PEL 82, we are assessing options for our Arrowie Basin licences and any opportunities to sell or farm-out these licences will be progressed as they arise.

Stephen Gutteridge, Chairman, said 'With a tight deadline to deliver our commitments on PEL 82 and the recent significant increase in oil prices, it makes sense to proceed independently with a development plan for the licence. The potential is exciting but we must emphasise is highly prospective at this stage. We will have a much clearer picture of the potential following completion of the seismic programme. Whilst the Board will consider any third party interest in our licences, we now have a clear game plan for PEL 82, the resources to deliver, and significantly higher oil prices, which puts us in a much stronger position for any deal.'

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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