



## INTERIM RESULTS

for the Six Month period ended 30 June 2007 (Unaudited)

# Meridian Petroleum plc

INTERIM RESULTS for the Six Month period ended 30 June 2007 (Unaudited)

## Consolidated Income Statement

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
Revenue	2	7	8
Cost of sales – production costs	<u>(19)</u>	<u>(30)</u>	<u>(63)</u>
Gross loss	(17)	(23)	(55)
Administrative expenses	(1,340)	(783)	(1,845)
Impairment charge	<u></u>	<u></u>	<u>(4,065)</u>
Operating loss	(1,357)	(806)	(5,965)
Investment Income – interest on bank deposits	<u>19</u>	<u>14</u>	<u>21</u>
Loss on ordinary activities before and after taxation	<u>(1,338)</u>	<u>(792)</u>	<u>(5,944)</u>
Loss per share (cents) Note 3	(1.7)	(1.1)	(8.3)

## Consolidated Statement of Total Recognised Income and Expenditure

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
Loss for the financial period	(1,338)	(792)	(5,944)
Currency translation differences - (loss) / gain	(196)	99	105
Total gains and losses recognised since last financial statements	<u>(1,534)</u>	<u>(693)</u>	<u>(5,839)</u>

# Meridian Petroleum plc

INTERIM RESULTS for the Six Month period ended 30 June 2007 (Unaudited)

## Consolidated Balance Sheet

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
<b>Non-current assets</b>			
Intangible assets:	1,005	546	646
Property, plant and equipment	3,934	5,776	2,020
	<u>4,939</u>	<u>6,322</u>	<u>2,666</u>
<b>Current Assets</b>			
Trade and other receivables	376	224	234
Cash and cash equivalents	2,622	1,526	2,332
	<u>2,998</u>	<u>1,750</u>	<u>2,566</u>
<b>Total assets</b>	<u>7,937</u>	<u>8,072</u>	<u>5,232</u>
<b>Current liabilities</b>			
Trade and other payables	(857)	(375)	(211)
<b>Total liabilities</b>	<u>(857)</u>	<u>(375)</u>	<u>(211)</u>
<b>Net Assets</b>	<u>7,080</u>	<u>7,697</u>	<u>5,021</u>
<b>Equity</b>			
Called up share capital	9,013	6,681	7,362
Share premium	8,359	4,915	6,565
Retained earnings	(10,495)	(4,005)	(9,157)
Translation reserve	(84)	106	112
Other reserves - share based payments	287	-	139
<b>Total equity attributable to the equity holders</b>	<u>7,080</u>	<u>7,697</u>	<u>5,021</u>

# Meridian Petroleum plc

INTERIM RESULTS for the Six Month period ended 30 June 2007 (Unaudited)

## Consolidated Cash Flow Statement

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
<b>Cash flows from operating activities</b>			
Cash consumed by operations - Note 6	(1,013)	(808)	(2,055)
Interest received	19	14	21
	<u>(994)</u>	<u>(794)</u>	<u>(2,034)</u>
<b>Cash flows from investing activities</b>			
Expenditure on exploration and evaluation assets	(359)	(122)	(459)
Expenditure on development and production assets	(1,914)	(378)	(450)
	<u>(2,273)</u>	<u>(500)</u>	<u>(909)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	3,445	2,354	4,686
Net increase in cash and cash equivalents	178	1,060	1,743
Opening cash and cash equivalents at beginning of year	2,332	370	370
Exchange gains on cash and cash equivalents	112	96	219
Closing cash and cash equivalents	<u>2,622</u>	<u>1,526</u>	<u>2,332</u>

# Meridian Petroleum plc

INTERIM RESULTS for the Six Month period ended 30 June 2007 (Unaudited)

## Notes

### 1. Basis of preparation and accounting policies

The interim financial statements for the six months to 30 June 2007 have been prepared on the basis of the accounting policies set out in the Company's financial statements for the year ended 31 December 2006. These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial information for the six months ended 30 June 2007 and 30 June 2006 was neither audited nor reviewed by the auditors and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for the year to 31 December 2006 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

### 2. Segmental reporting

In the opinion of the Directors the operations of the Group comprise one class of business, oil and gas exploration, development and production and the sale of hydrocarbons and related activities. The Group currently operates in one geographical market, the USA, and has a head office and associated corporate expenses in the UK.

### 3. Loss per share

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
Loss for the period US \$'000	(1,338)	(792)	(5,944)
Weighted average number of shares in issue ('000)	<u>80,860</u>	<u>69,743</u>	<u>71,311</u>
Loss per share (cents)	<u>(1.7)</u>	<u>(1.1)</u>	<u>(8.3)</u>

# Meridian Petroleum plc

INTERIM RESULTS for the Six Month period ended 30 June 2007 (Unaudited)

## Notes (continued)

### 4. Reconciliation of operating loss to net cash outflow from operating activities

	30 June 2007 (Unaudited) USD \$'000	30 June 2006 (Unaudited) USD \$'000	31 Dec 2006 Audited USD \$'000
Loss from operations	(1,357)	(806)	(5,965)
<b>Adjustments for :</b>			
Depreciation and impairment of property, plant and equipment	-	-	4,065
Share based payment	148	-	139
Foreign exchange difference	(310)	9	(113)
	<u>(1,519)</u>	<u>(797)</u>	<u>(1,874)</u>
Increase in debtors	(138)	(77)	(80)
Increase/(decrease) in creditors	644	66	(101)
	<u>(1,013)</u>	<u>(808)</u>	<u>(2,055)</u>

### 5. Retained Earnings and other reserves

	Share Capital	Share Premium	Retained Earnings	Foreign Currency Reserves	Other Reserves	Total
	USD \$'000	USD \$'000	USD \$'000	USD \$'000	USD \$'000	USD \$'000
Balance at 1 January 2007	7,362	6,565	(9,157)	112	139	5,021
Shares issued	1,651	1,794	-	-	-	3,445
Total recognised income and expense	-	-	(1,338)	(196)	-	(1,534)
Share based payments	-	-	-	-	148	148
Balance at 30 June 2006	<u>9,013</u>	<u>8,359</u>	<u>(10,495)</u>	<u>(84)</u>	<u>287</u>	<u>7,080</u>