

MERIDIAN PETROLEUM PLC

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PEL 82

ANNUAL REPORT

YEAR 3

22 SEPTEMBER 2004 TO 21 SEPTEMBER 2005

Anthony J Mason
Chief Executive Officer
Meridian Resources Pty Ltd
May 2007

REGISTERED IN ENGLAND NO. 5104249
REGISTERED OFFICE: 42 BERKELEY SQUARE, LONDON W1J 5AW

1. GENERAL

Meridian Resources Pty Ltd, tenders forthwith the Year 3 Annual Report for PEL 82. Year 3 covered the period 22 September 2004 to 21 September 2005.

During Year 3 Andrew Wenk assigned his 23.3333 recurring percentage interest in PEL 82 to Meridian Resources Pty Ltd such that Meridian Resources Pty Ld became the sole licensee. The Deed of Assignment, dated 20 October 2004, was noted on the commercial register on 10 November 2004 (Ref: SA 2004-66).

2. LICENCE SUMMARY

Licence Year	Minimum Work Program	Actual Work
Year 1 22/03/2001 – 21/09/2002	85 km Seismic Reprocessing; Geological and Geophysical studies	See annual report for Year 1
Year 2 22/09/2002 – 21/09/2004	Geological and Geophysical studies	See annual report for Year 2
Year 3 22/09/2004 – 21/09/2005	Geological and Geophysical studies	Review of geological and geophysical data
Year 4 22/09/2005 – 21/09/2006	High Resolution Gravity and/or 30 km Seismic	
Year 5 22/09/2006 – 23/03/2008	1 Well	

3. REGULATED ACTIVITIES SUMMARY

Pursuant to Regulation 33(2)(a) under the Act, an annual report must include:

“a summary of the regulated activities conducted under the licence during the [current reporting] year.”

YEAR 3 REQUIREMENTS

Condition 2 of the Licence requires that the Year 3 program consist of the evaluation of geological and geophysical data aimed at determining the best exploration approach to select a wellsite for drilling in Year 5. No field activities were carried out.

YEAR 3 WORK COMPLETED - GEOLOGICAL AND GEOPHYSICAL STUDIES

Year 3 work consisted of evaluation of geological and geophysical data aimed at determining the best exploration approach to select a wellsite for drilling in Year 5.

No field activities were carried out.

4. COMPLIANCE

LICENCE AND REGULATORY COMPLIANCE

Pursuant to Regulations 33(2) (b) & (c), an annual report must include:

“a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives;” and

“a statement concerning any action to rectify non compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of recurrence of any such non-compliances.”

This information is detailed below in designated sections.

Licence Non-Compliance

No licence non-compliances were reported for this licence year.

Regulatory Non-Compliance

Non Compliance During Year 3, Meridian Resources was non-compliant in that this report on year 3 activities was not lodged by the due date.

Reason for non-compliance.

The lodgement of this report is to rectify the non-compliance. To avoid future non-compliance, Meridian Resources has appointed a consultant Exploration Manager in Adelaide, Mr. Griff Weste. He will have responsibility for assisting Meridian with compliance issues, including the timely preparation of reports and the planning and completion of Work Program commitments within the designated time frames.

Compliance against Statement of Environmental Objectives

No activities were operated under the scope of an SEO, therefore an assessment to any objectives is not warranted.

MANAGEMENT SYSTEM AUDITS

Pursuant to Regulation 33(2) (d) under the Act, an annual report must include:

“a summary of any management system audits undertaken during the relevant licence year including information on any failure or deficiency identified by the audit and any corrective actions that has, or will be taken”.

No management system audits were undertaken in the licence year.

DATA SUBMISSIONS

Pursuant to Regulation 33(2) (e) under the Act, an annual report must include:

“a list of all reports and data relevant to the operation of the Act generated by the licensee during the licence year”.

No reports or data were submitted in the licence year.

INCIDENTS

Pursuant to Regulation 33(2) (f), an annual report must include:

“in relation to any incidents reported to the Minister under the Act and these Regulations during the relevant licence year –

- (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and*
- (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimise the risk of recurrence of any such non-compliance”.*

Incidents as classified under SEOs are categorised as either ‘serious’ or ‘reportable’. Each category has its own reporting requirements, and these categories should be used to describe the type of incident that occurred. Incidents also include any issues that have been identified in relation to occupational, health, safety and welfare.

No incidents occurred in the licence year.

Threat Prevention

Pursuant to Regulation 33(2) (g) under the Act, an annual report must include:

“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be taken”.

No foreseeable threats identified in the licence year.

Future Work Program

Pursuant to Regulation 33(2) (h) under the Act, an annual report must include:

“unless the relevant licence year is the last year in which the licence is to remain in force – a statement outlining operations proposed for the ensuing year”.

The Year 4 Work Program commitment is for High Resolution Gravity and/or 30 km Seismic

5. **STATEMENT OF EXPENDITURE FOR PEL 82 YEAR 3**

Commercial in Confidence