

24 December 2010

NSX Limited  
Level 2,  
117 Scott Street  
Newcastle NSW 2300

### **Convertible Notes**

Meridien Resources Limited (NSX: MRW) is pleased to announce it issued 1,725,000 Convertible Notes raising \$345,000 on the 23<sup>rd</sup> December 2010.

A summary of the key terms of the Convertible notes is set out below;

<b>Issue Price</b>	\$0.20 per Convertible Note
<b>Term</b>	The Convertible Notes will have a term ending on 1 January 2012 unless previously repaid or converted into Shares.
<b>Interest Rate</b>	10% per annum on the Issue Price.
<b>Interest Payments</b>	Interest is payable quarterly in arrears on each Interest Payment Date. The first Interest Payment Date is 31 March 2011 with the first payment being accrued interest from the Issue Date to that date. Accrued interest will be paid in the event of early Conversion or Redemption.
<b>Conversion by Note Holder</b>	Each Convertible Note entitles the Note Holder to one Share (subject to any adjustment for bonus shares, rights issues and capital reconstructions).  Upon conversion or redemption, Note holders will also be issued a bonus Share with a face value of \$0.20 at the rate of 1 bonus Share for every 3 Convertible Notes converted or repaid.

	Note Holders may elect to convert their Convertible Notes at any time from the Issue Date to the Expiry Date unless the Company proposes a merger by scheme of arrangement or a takeover bid (as defined in the Corporations Act) in which case the conversion period commences on the announcement of the merger or takeover bid.
<b>Redemption</b>	Any Convertible Notes not converted by the Maturity Date must be repaid by the Company at the Issue Price on the Maturity Date. The Company may not redeem the Convertible Notes.
<b>Ranking</b>	Until Conversion or Redemption, the Convertible Notes will be unsecured debt obligations of the Company and rank equally with other ordinary unsecured creditors of the Company in relation to repayment of principal and interest. The Convertible Notes will rank behind any secured creditors of the Company but will rank ahead of Shares.
	Each Share issued on Conversion will rank equally with all existing Shares then on issue, except that they will not be entitled to any dividend that has been declared or determined but not paid as at the Conversion Date.
<b>Bonus Issues</b>	If at any time after the Issue Date but before the Termination Date or Allotment Date, the Company makes a Bonus Issue and issues to the holders of Shares any Bonus Securities, then the Company must issue to the Noteholder Bonus Securities of the number which the Noteholder would have been entitled to receive by way of participation in the issue of Bonus Securities if it had Converted the Convertible Notes into Shares.

<b>Reconstruction</b>	If at any time after the Issue Date but before the Allotment Date, there occurs any reduction, repayment by way of reduction, consolidation or division of the issued capital of the Company, then the entitlement of the Noteholder to Convert the Convertible Notes must be reconstructed in the same proportion and manner as that reduction, repayment by way of reduction, consolidation or division of the issued capital of the Company (subject to the same provisions, if any, with respect to the rounding of entitlements) as are approved by the meeting of members of the Company which approves that reconstruction of capital.
<b>Voting</b>	Except in the circumstances required by the Listing Rules or the Corporations Act, Note Holders will not be entitled to receive notice of or to vote at general meetings of the Company.

The convertible notes have been issued to sophisticated investors.

Yours faithfully,

**MERIDIEN RESOURCES LIMITED**



**Richard Hill**  
Company Secretary