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## The Meridian Resource Corp Q3 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Your first question comes from Robert Cheeseman - Unidentified Company.

#### Robert Cheeseman - Unidentified Company

I have three questions for you one what would be the interest rates we would be paying if we were in a normalized situation and did and did not have for balance agreement? Two are there anymore efficiencies that can be cut out of Meridian and many current state that were in and three with an improving outlook for the economy, is there any possibility quote with the new management team and you guys obviously working as diligently as you advocated and the reduction that the bank would allow you to do any drilling whatsoever?

#### Paul Ching

I will let Lloyd DeLano here answer the first question about the interest rate that were currently paying versus what we were paying before we went into default.

#### Lloyd DeLano

I think we are paying right now about 7.5% that's assuming that we use alternative bank delay which they rate plus are about expect 5 so then another 2% on top of that for the default rate and currently if we were not in default rate, we would have I think LIBOR is around 0.5%, and we pay about 2.5% over that, we're about 3%.

#### Paul Ching

So, yes, this causing at more money Robert. You asked are there anymore efficiencies that can be garnered out of the organization. There's no further major efficiencies. We continue to look at our staffing levels in the field and we have one thing that's out there and that is we have more office space that we need, but unfortunately Houston as compared to 18 months ago has a collect of office space.

Lloyd as a team employees they are going outside group we're trying to sublease part of our lease which could save us some substantial funds, but that's going slow because we had a number of people interested, but it seems like we don't play when those over for a various reasons are just such a quite on the market, that's the main efficiency.

Yes the economy is improving we have seen improving improved commodity prices, and are now watching gas prices drift the other way. So I'm not sure exactly what's going to happen. I think that as, if we really can resolve our liquidity problem, we will go back to drilling. So we've not been sitting idle. We do have a complete list of prioritized projects that we would go to all the way from re-completions all the way to new drills, but as of this moment we do not have the authority or the ability to generate enough cash to go do that at this time.

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