



Magellan Petroleum SEAAOC 2011

October 2011



Forward Looking Statements

Statements in this presentation which are not historical in nature are intended to be, and are hereby identified as, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. These statements about Magellan and Magellan Petroleum Australia Limited (“MPAL”) may relate to their businesses and prospects, revenues, expenses, operating cash flows, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Among these risks and uncertainties are the following: the ability of Magellan and Santos to complete and implement the terms of the Santos asset swap/sales agreement and gas sales contract, including securing the customary approvals necessary to complete the asset swap, the future outcome of the negotiations by Santos with its customers for gas sales contracts for the remaining uncontracted reserves in the Amadeus Basin, the production volume at Mereenie and whether it will be sufficient to trigger the bonus amounts provided for in the Santos asset swap/sales agreement, the ability of the Company to successfully develop its existing assets, the ability of the Company to secure gas sales contracts for the uncontracted reserves at Dingo, the ability of the Company to implement a successful exploration program, pricing and production levels from the properties in which Magellan and MPAL have interests, the extent of the recoverable reserves at those properties, the profitable integration of acquired businesses, including Nautilus Poplar LLC, the likelihood of success of the drilling program at the Poplar Fields by the Company’s new farm-in partner, VAALCO Energy, and the results of the ongoing production well tests in the U.K. In addition, MPAL has a large number of exploration permits and faces the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. Any forward-looking information provided in this report should be considered with these factors in mind. Magellan assumes no obligation to update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

Oil and gas issuers are required to include disclosure regarding proved oil and gas reserves in certain filings made with the U.S. Securities and Exchange Commission. Proved reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. The SEC also permits the disclosure of probable and possible reserves which are additional reserves that are less certain to be recovered. Investors are urged to consider closely the disclosures in Magellan’s periodic filings with the SEC available from us at the company’s website www.magellanpetroleum.com

Australian Rationalization

On September 14, 2011, Magellan entered into an agreement with Santos to swap its interest in the Mereenie field for the purchase of the remaining interest in the producing Palm Valley gas field and exploration Dingo field, all three fields located in the Amadeus basin, onshore Australia. Upon completion of this transaction, which is subject to customary approvals and expected to close in the very near future, the Company will receive the new asset interests described above, a cash contribution, and further subsequent bonus payments contingent upon future production.. In addition, the Company also entered into a long term gas supply agreement with Santos for its Palm Valley gas field, which will provide incremental revenue and cash flows to support the Company's ongoing operations in Australia.

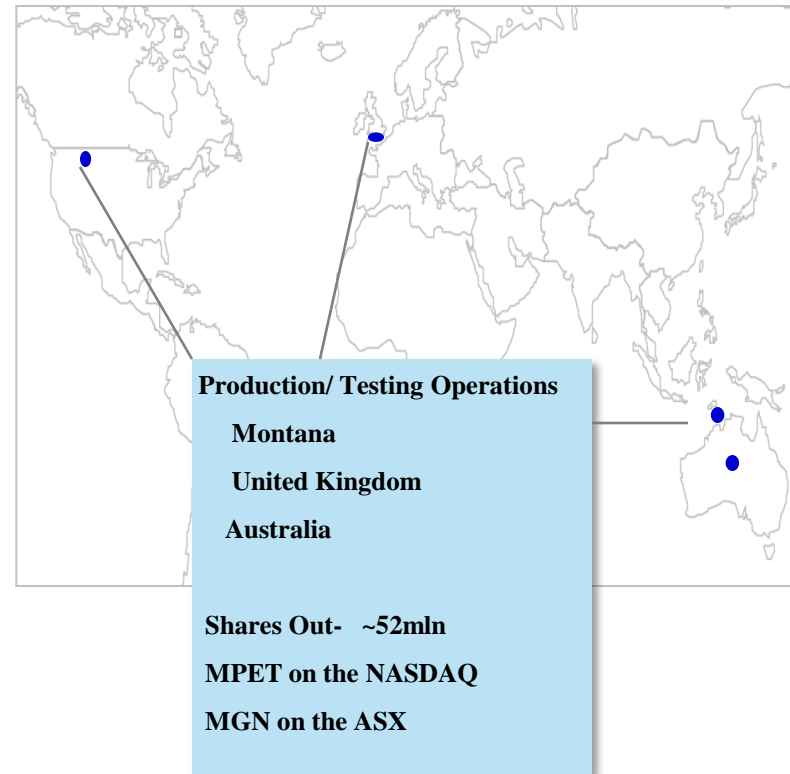
Montana Development

In parallel, the Company focused on its under-developed, multiple formation, producing oil field in Montana, the Poplar Field. Building from the acquisition of 3D seismic in 2010, and the acquisition of a set of cores and further data from a new well spud in 2010, the Company entered into a farm out agreement with VAALCO Energy for the Bakken and deep formations of the Poplar Field. VAALCO Energy committed to drill three new wells in the Poplar Field by December 2012 and paid \$5 million on September 6, 2011 in consideration for a 65% working interest in these Deep Intervals. The Company will retain a 35% working interest in the Deep Intervals and will continue to hold its current interest in all formations above the Bakken formation, including the currently producing Charles and Tyler formations where all Poplar proved and probable reserves are located. This transaction will enable the Company to continue to focus on the development of the Charles formation while also testing the Bakken, Red River and other potential deep formations in the Poplar Field.

COMPANY SUMMARY

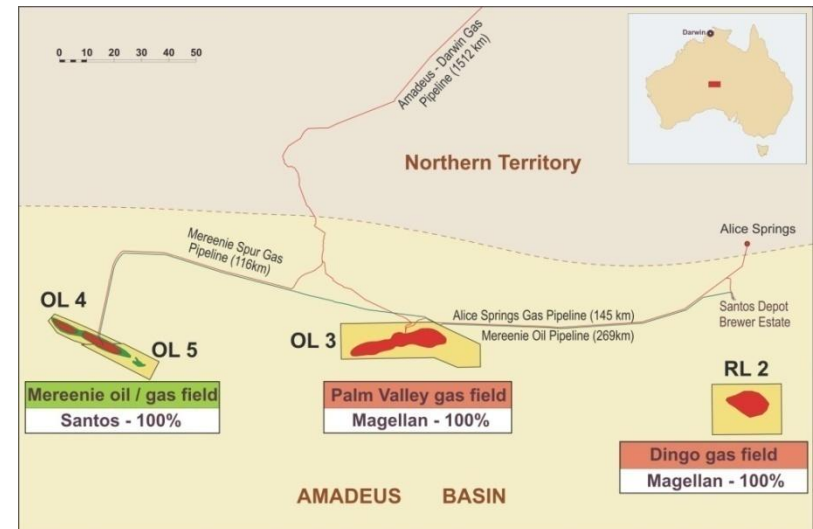
- Magellan operates through two wholly owned subsidiaries
- Magellan Petroleum Australia Limited:
 - **Australia** (subject to customary approvals)
 - Palm Valley Gas Field (100% Operator)
 - Dingo Gas Field (100% Operator)
 - NT/P82 Offshore Bonaparte Basin (100% Operator)
 - **United Kingdom**
 - 13 exploration focused Licenses
 - Markwells Wood Well oil discovery being tested
 - Significant shale development prospects
- Nautilus Poplar LLC
 - **United States, Montana**
 - Poplar Fields (100% Operator)
 - 23,000 acres, Proven Producing Reserves
 - Active Drilling, Development, and deeper Bakken & Red River partnership

BUSINESS UNITS (NASDAQ:MPET)



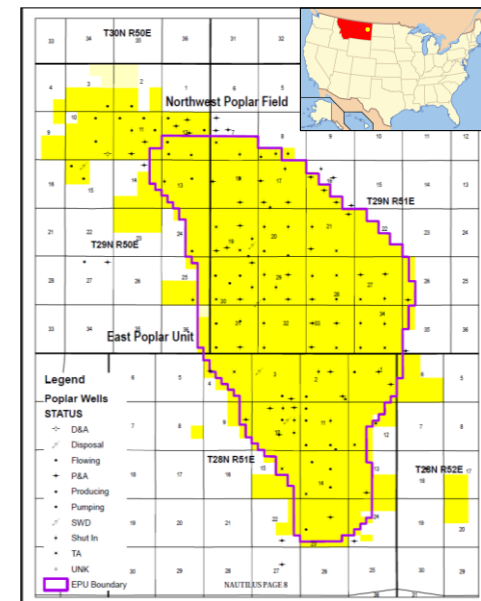
Santos Transaction 10K Release

- September 14, 2011
 - Magellan Santos contemplate Asset Transfer
 - Subject to customary approvals
 - Magellan will own 100% of Palm Valley and Dingo
 - Santos will own 100% of Mereenie
 - Magellan receives cash plus production bonuses
 - Entered into a Gas Supply Agreement (GSPA) with Santos



VAALCO Transaction and Nautilus Consolidation

- September 2-7, 2011
 - Magellan completed two transactions
 - Consolidation into 100% interest in Poplar Fields
 - Partial sale of Poplar deep rights to VAALCO
 - VAALCO drills and carries MP in 3 deep wells
 - 1 horizontal well in Bakken
 - 1 well in deeper Red River formation
 - 1 well drilled by VAALCO to zone of their choosing

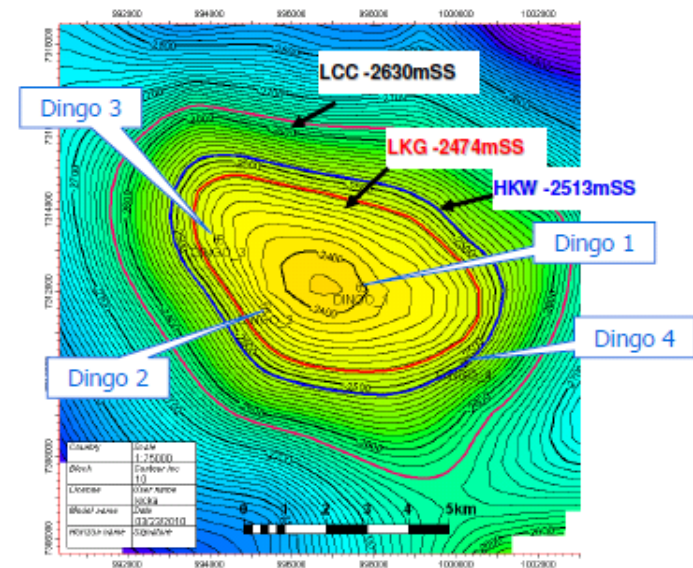
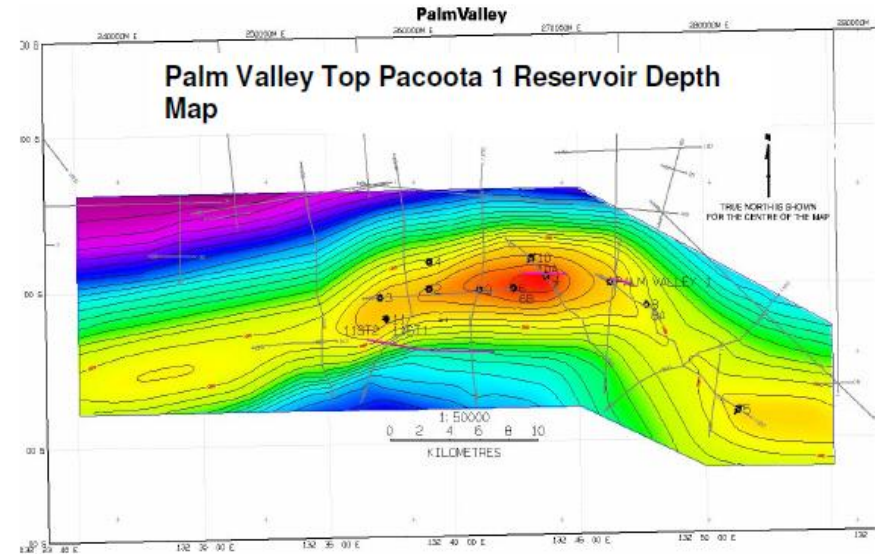


Palm Valley Gas Field

- 100% interest (Operator)
 - 200sqkm
 - Discovered in 1965
 - 5-9 wells
 - 155 BCF cumulative production
 - Term gas sales arrangements

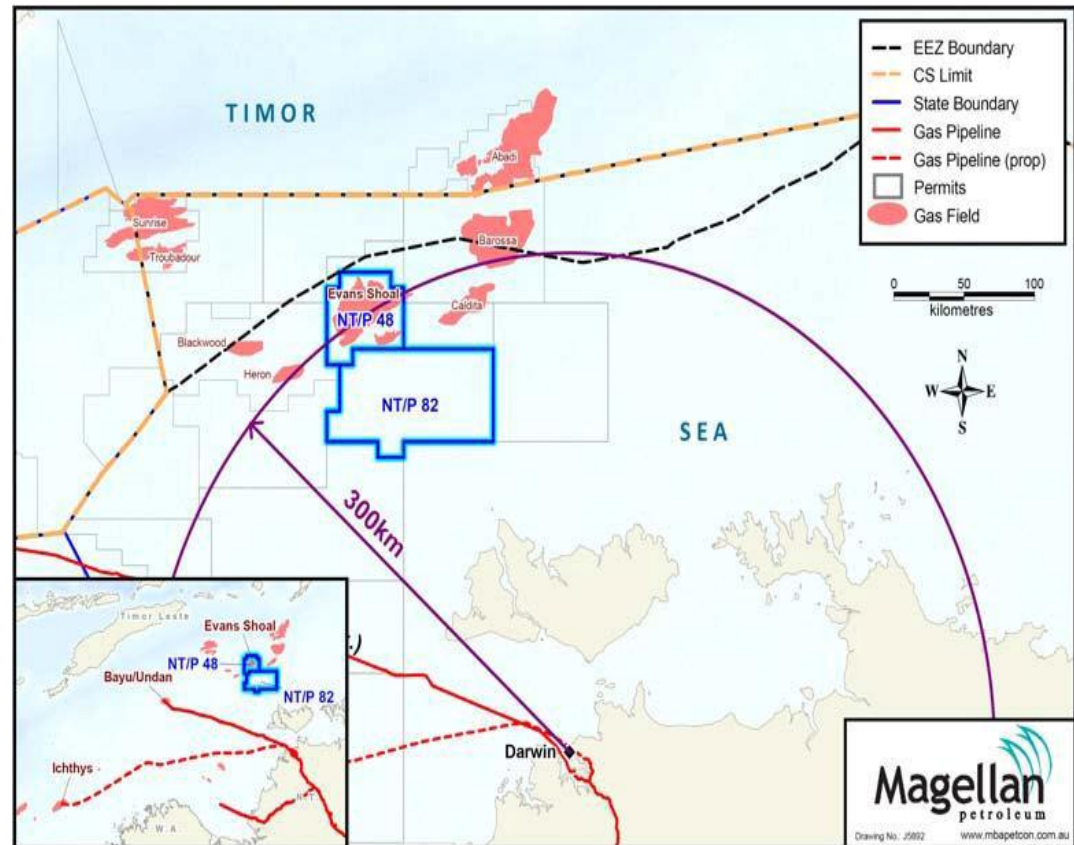
Dingo Gas Field

- 100% interest (Operator). Large areal feature
 - Exploration well Dingo 1 drilled 1981
 - DST rate 1.45 MMscf/d
 - Appraisal well Dingo 2 drilled in 1984
 - DST rate 1.38 MMscf/d
 - Appraisal well Dingo 3 drilled in 1990
 - DST rate 2.86 MMscf/d
 - Clear market interest in gas deliverability



NT/P82

- Magellan was granted Exploration Permit for Petroleum NT/P82 (100% interest) over Area NT09-1
- Permit covers 6,000 sq km
- Currently reprocessing and interpreting 2D and 3D seismic results



U.S Domestic Operations

Poplar Montana

Geography

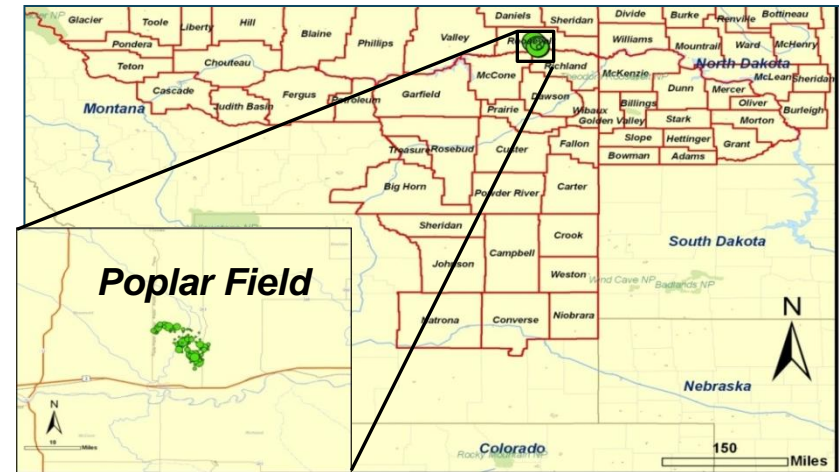
- Location: Roosevelt County, MT
- Acreage: 23,000

Charles Formation Production (CO2 flood candidate)

- Well count: 145 – 34 active
- Well spacing: 160 acres
- Production start: 1955
- OOIP: ~700MMstb
- Cumulative oil produced: 52 MMbbl
- Recovery factor: ~7%
- Current production: 250bopd with drilling and recompletion ongoing

Charles Formation Reservoir

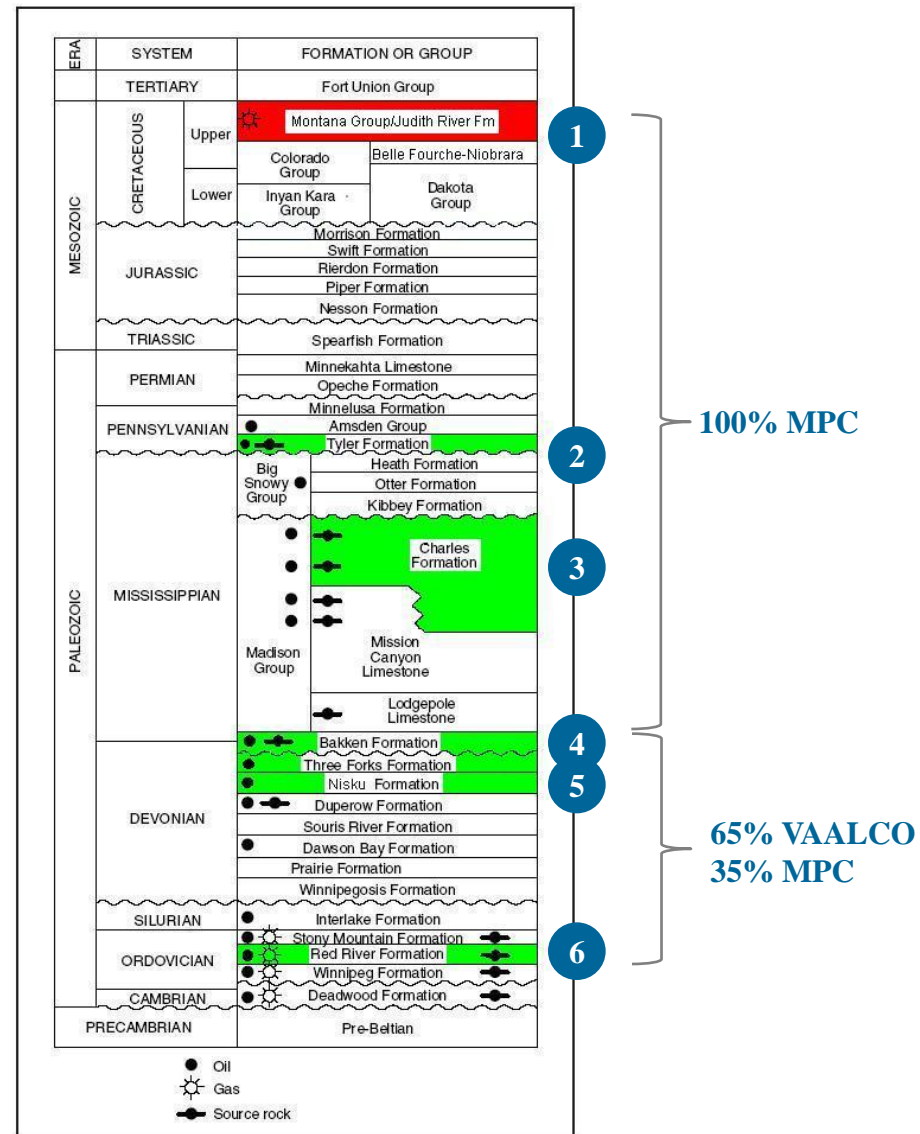
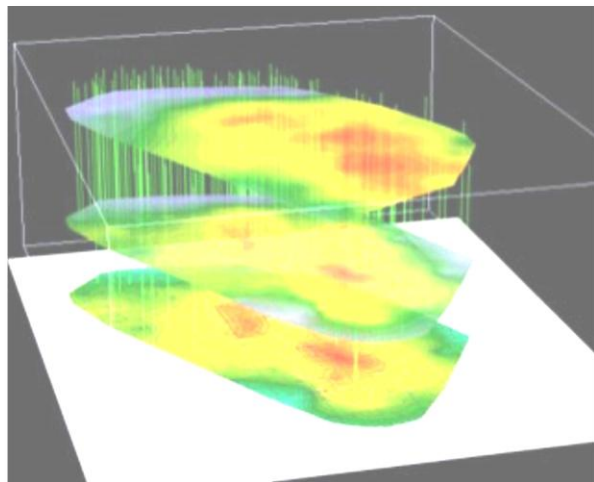
- API gravity: 40
- Top depth: c. 5,400 ft ss (TVD)
- Net thickness: 30-65 ft
- Porosity: 5-17%



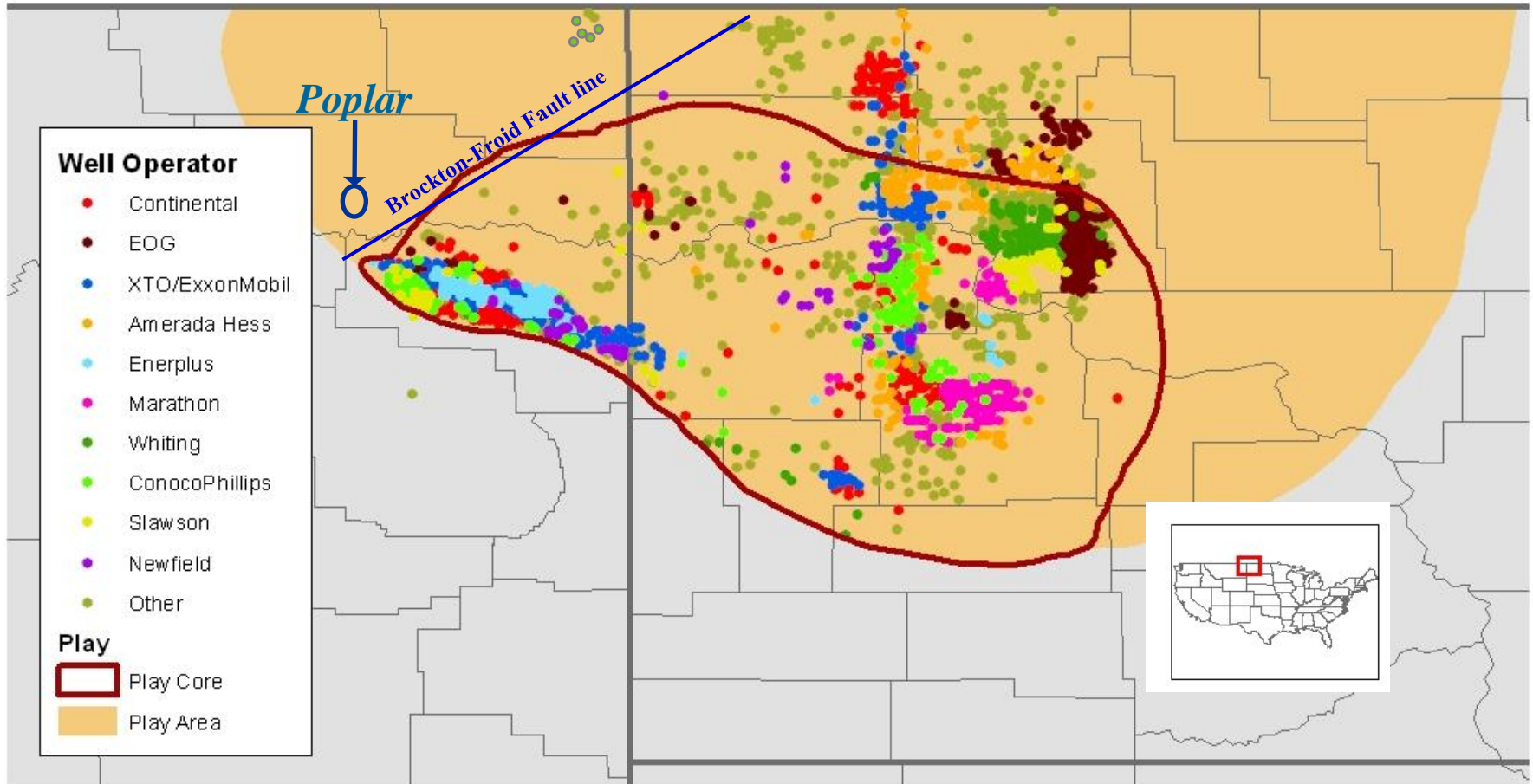
Poplar Multiple Horizons

Stacked Pay

- Several stacked pay zones – recently confirmed by EPU#119 well drilled in Nov 2010.
- 1. **Judith River:** Potential for shallow gas production with interested industrial buyer
- 2. **Tyler:** 300 Mbbls produced from 5 wells since 1969
- 3. **Charles:** 52 MMbbls produced since 1955, c. 7% of OOIP
- 4. **Bakken/Three Forks:** 60 ft of core with oil shows
- 5. **Nisku:** 200 Mbbls produced from 1 well since 1969;
- 6. **Red River:** Significant geological potential but no flow samples yet



Wells by operator

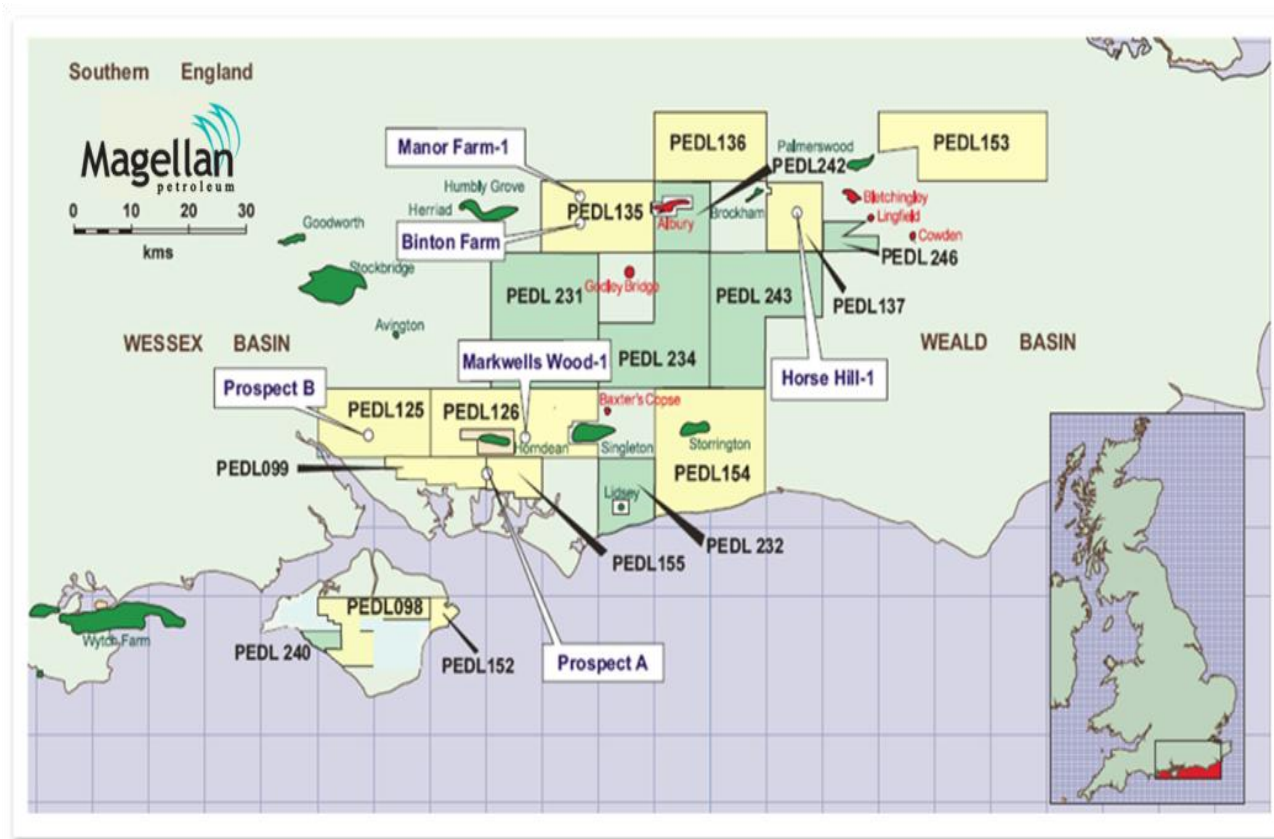


Source: PFC Energy

United Kingdom Operations

Markwells Wood Well

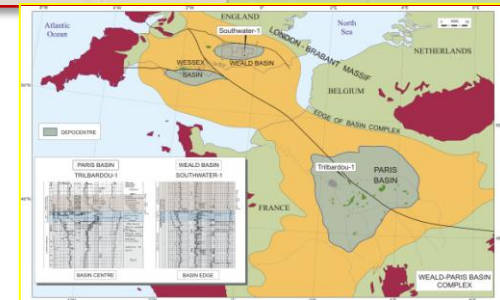
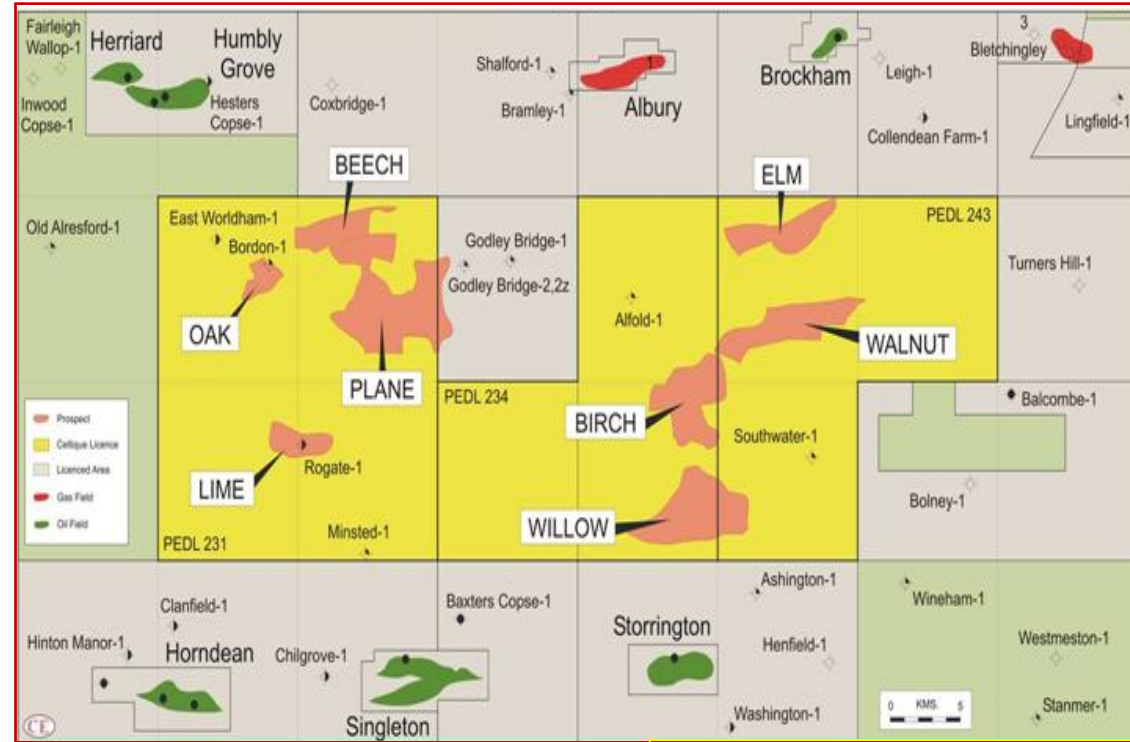
- 40% interest
 - Markwells Wood-1 oil discovery November 2010
 - West Sussex, UK
 - Work over rig arrived September 6, 2011
 - Conducting extended well



UK Shale Acreage Update

UK Shale

- The acreage is held by Celtique (50%, Operator) and Magellan (50%)
- The Weald Basin area is located in countryside south west of London, close to the large south east UK energy market and proximal to major gas trunk lines and refineries
- Licences cover contiguous 1,000 sq kms (247,000 acres)
- Actively marketing shale development farm in, likely will need to gain further data
- Cuadrilla Balcombe-1 adjacent to SE



Executive Transition Review



Thank you.

