



SEAAOC

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Forward Looking Statements

Except for historical information, this presentation contains forward looking statements and information with respect to net oil and gas reserve assertions, valuations and key development assumptions and timing, gas sales in Australia and its valuation, potential development projects, and exploration and drilling plans. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied from such information. Among these risks and uncertainties are the ability of Magellan Petroleum Australia Limited (“MPAL”), with the assistance of the Company, to successfully and timely close the Evans Shoal acquisition, the ability of the Company to successfully secure financing and/or offtake opportunities necessary to implement a strategy for methanol development, pricing and production levels from the properties in which Magellan and MPAL have interests, the extent to which demand for methanol continues to grow in targeted markets, the extent to which methanol can be used as an economical fuel alternative, the extent of the recoverable reserves at those properties, the profitable integration of acquired businesses, including Evans Shoal, the future outcome of the negotiations for gas sales contracts for the remaining uncontracted reserves at both the Mereenie and Palm Valley gas fields in the Amadeus Basin, including the likelihood of success of other potential suppliers of gas to the current customers of Mereenie and Palm Valley production. In addition, Magellan, and its operating subsidiaries have exploration permits and face the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. Any forward-looking information provided in this presentation should be considered with these factors in mind. Magellan assumes no obligation to update any forward-looking statements contained in this presentation, 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

Company Profile:

Magellan Petroleum Corporation, through its wholly owned subsidiary, Magellan Petroleum Australia Limited, and its majority controlling interest in Nautilus Poplar LLC, is engaged in the exploration, development, and sale of oil and gas reserves worldwide. The Company's operations are in Australia, North America, and in the United Kingdom.

The Company has a differentiated business model guided by personnel with over 100 man-years of large oil company experience.

Magellan adds value to large assets through unconventional commercial solutions such as Methanol production for high CO2 fields, and CO2 "tertiary" flooding in overlooked reservoir plays. The Company also holds 23,000 contiguous acres overlying Bakken oil shale.

Company endeavors include a significant partner base; we work with Petronas, Shell, and Osaka Gas, and Northern Petroleum.

Magellan Petroleum Corporation



Business Summary:

Pacific - Develop discovered/proven natural gas fields to service growing Fuel Oxygenate and Olefins demand in Asia; mainly China

North America - Redevelop overlooked domestic onshore oil fields using Enhanced Oil Recovery techniques and new technologies





Focus on Australian Plans

- **Long-time, onshore Australian Producer**

- In business since 1954
- 25 years of gas supply to Darwin uninterrupted
- Three fields onshore, licenses offshore
- P1 and P2 reserves, 2.8mmbbl and 49BCF net

- **Evans Shoal and NT/P82 offshore**

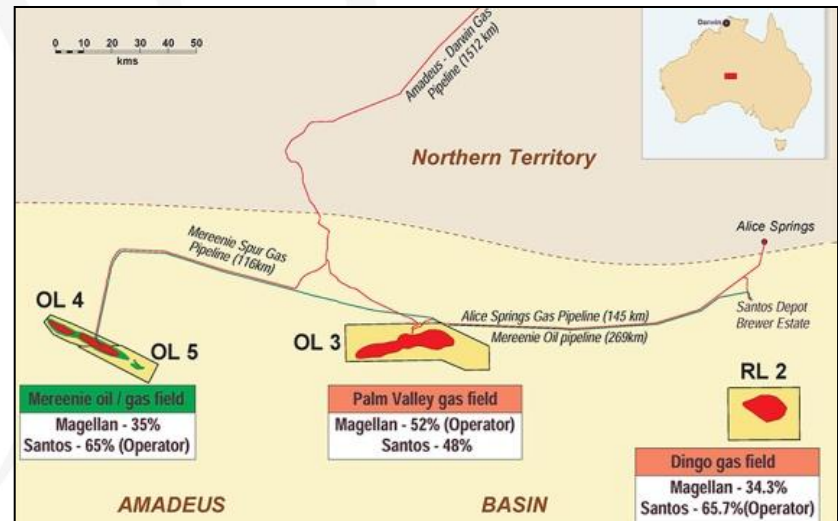
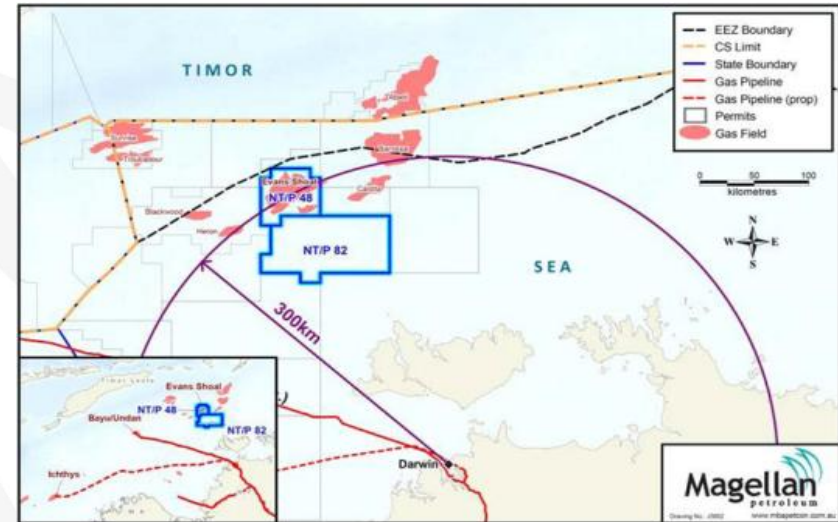
- Contracts to acquire highly prospective licenses offshore
- Potential for significant and economic Methanol plan

- **Mereenie Oil Field, onshore Australia**

- Undrilled, significant contingent resources remain
- Large oil ring with gas cap
- Fuel gas for industrial development in Darwin
- Substantial potential due to new drilling technology
- Santos is the Operator

- **Palm Valley Gas Field, onshore Australia**

- Tight, highly fractured gas reservoir
- Current supplier of Alice Springs volumes
- Operator, Magellan





A New Direction

Evans Shoal and Methanol

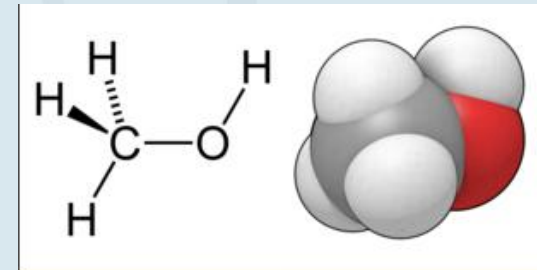
Evans Shoal

- Key role in a larger value creation chain that ends up in Olefins or fuel markets in Asia
- Ideally situated in shallow water close to existing facilities with good reservoir data
- Larger Companies focus on bigger LNG business at fields that don't require CO2 management
- Evans Shoal has significant CO2 content

Methanol

Methanol production can use up to 25% CO2 in feedstock

- Steam Methane Reforming
 - o $\text{CH}_4 + \text{H}_2\text{O} = \text{CO} + 3\text{H}_2$
- Water Gas shift reaction
 - o $\text{CO} + \text{H}_2\text{O} = \text{CO}_2 + \text{H}_2$
- Methanol Synthesis
 - o $\text{CO} + 2\text{H}_2 = \text{CH}_3\text{OH}$
- Excess Hydrogen plus CO2
 - $\text{CO}_2 + 3\text{H}_2 = \text{CH}_3\text{OH} + \text{H}_2\text{O}$



- ✓ **Market timing is good.**
- ✓ **Methanol leads to reduced oil imports and more efficient fuel consumption in Asia.**
- ✓ **It is a low-cost, environmentally-friendly feedstock for Olefins.**
- ✓ **Our project capitalizes on China's large CAGR and emerging Methanol derivative Markets**

Magellan Business Model

Develop "discovered" resource for Asia

Utilize Methanol as development tool;

- 1. Lowest cost Olefins feed (Polyethylene)
- 2. Methanol is mandated as fuel oxygenate in China
- 3. Methanol augments Chinese propane systems

Gas Fields

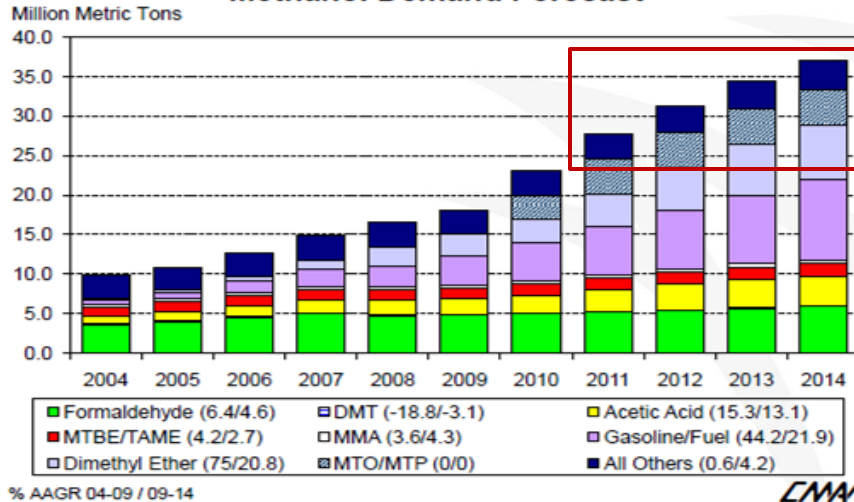
Key to China's economy for next 50 years

Process uses CO2

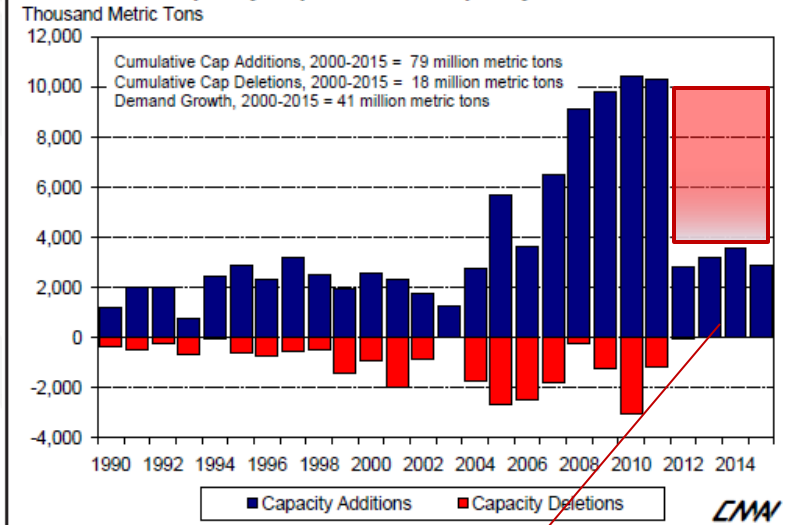
Evans Shoal - Closest Supply

Image NASA
Image © 2008 TerraMetrics
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Northeast Asia Methanol Demand Forecast

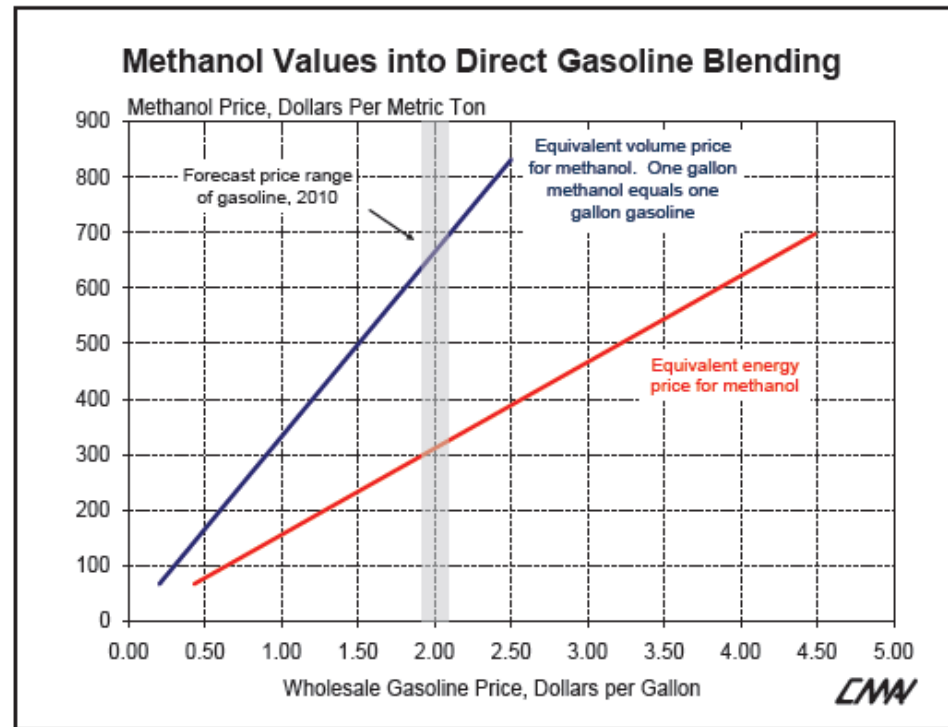
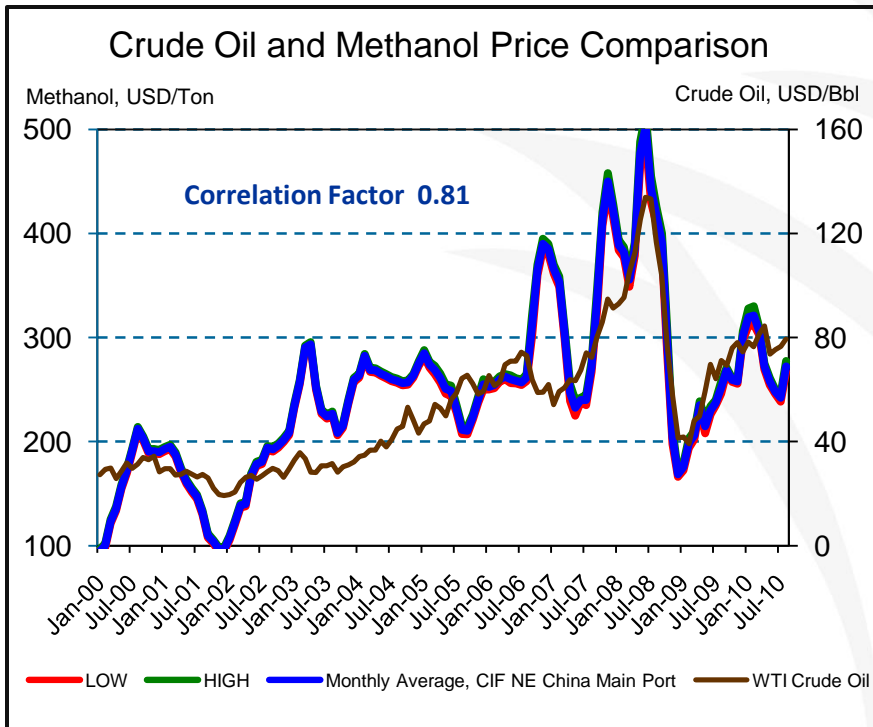


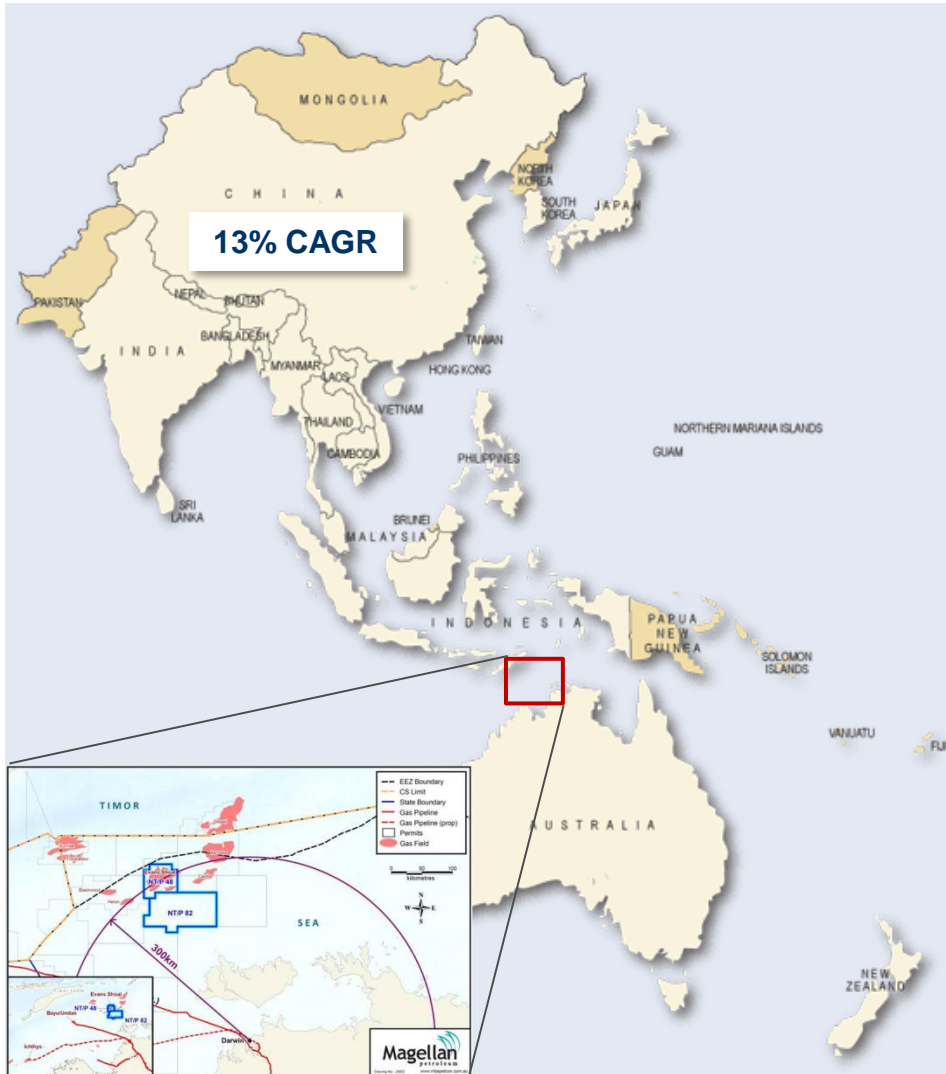
Global Methanol Industry Capacity Expansion vs Capacity Deletion



- North East Asia Forecasted Annual Growth Rates of 13-15%
 - Current 18mmtpy or 44% of Global Demand
 - Forecasted 37mmtpy or 57% of Global
- 19mmt Demand over 5years in NE Asia

- Iranian and Algerian “suggested plants” online 2014
- Chinese Capacity is higher-cost Coal to Methanol
- Chile/New Zealand have Gas Supply constraints
- Iran and Algeria have the only proposed supply in 5 years Globally

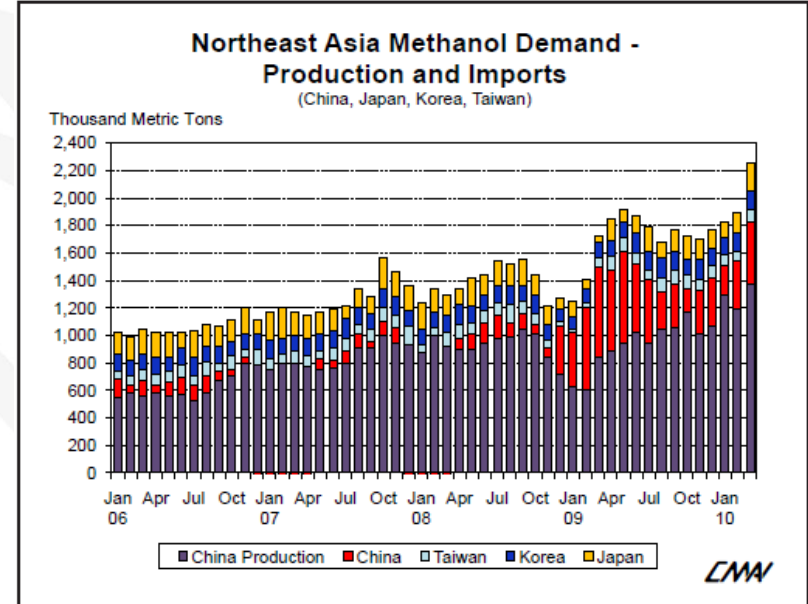
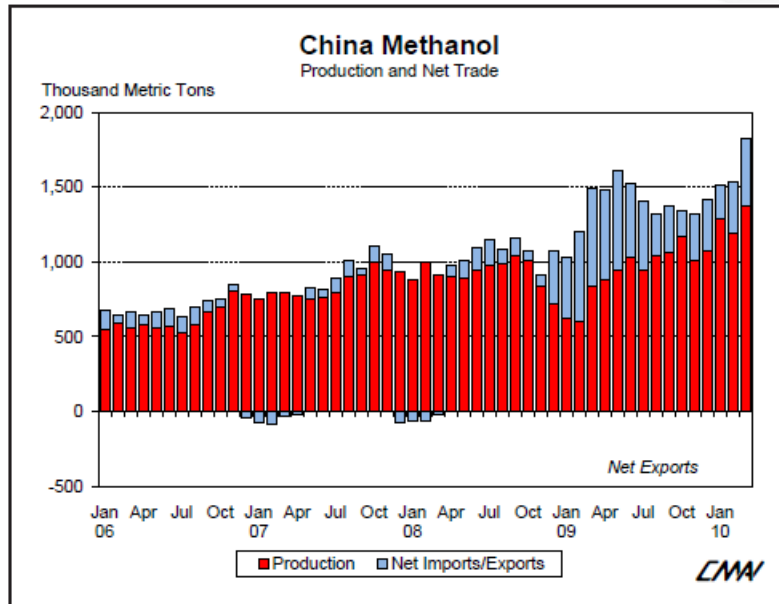




- North East Asia Projected Annual Growth Rates of 13-15%
 - Current 18mmtpy or 44% of Global Demand
 - Forecasted 37mmtpy or 57% of Global Demand
- Methanol Usage
 - Vehicle fuel
 - Propane Supplement
 - Methanol to Olefins
- No new Pacific Methanol capacity planned

2009 World Capacity – 68 mmT; 60% operating
(excess capacity is high-cost lignite feed)

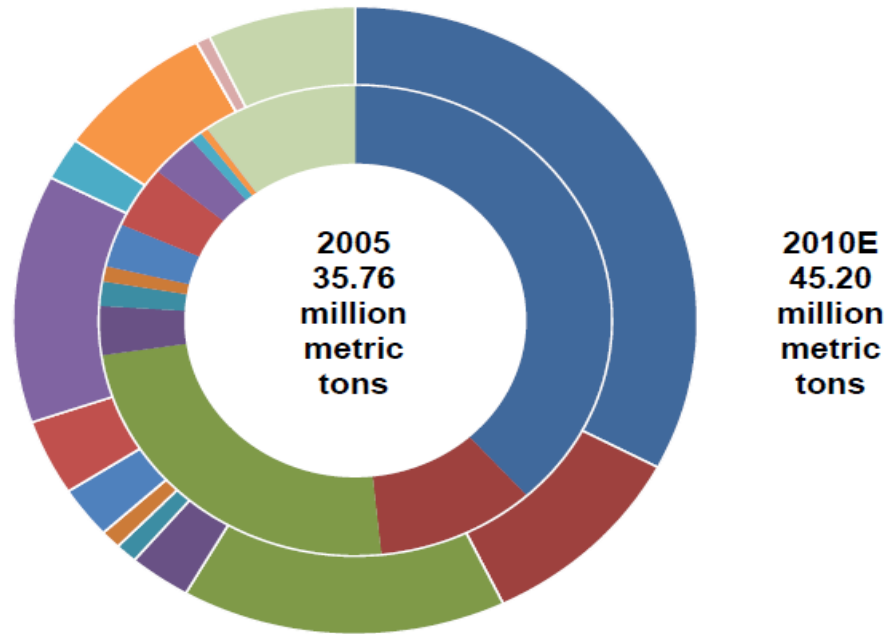




- **China imports 46% of Demand currently (8.3mmtpy)**
- **Forecasted to import 36% of Demand in 2014 (13.3mmtpy)**
- **Chinese Production**
 - 60% Coal (Higher-Cost Coal to Methanol)
 - 22% Natural Gas
 - 18% Coking Gas
- **Chinese Utilization rate averages below 50% driven by costs and coal**

Methanol Use - World By Derivative

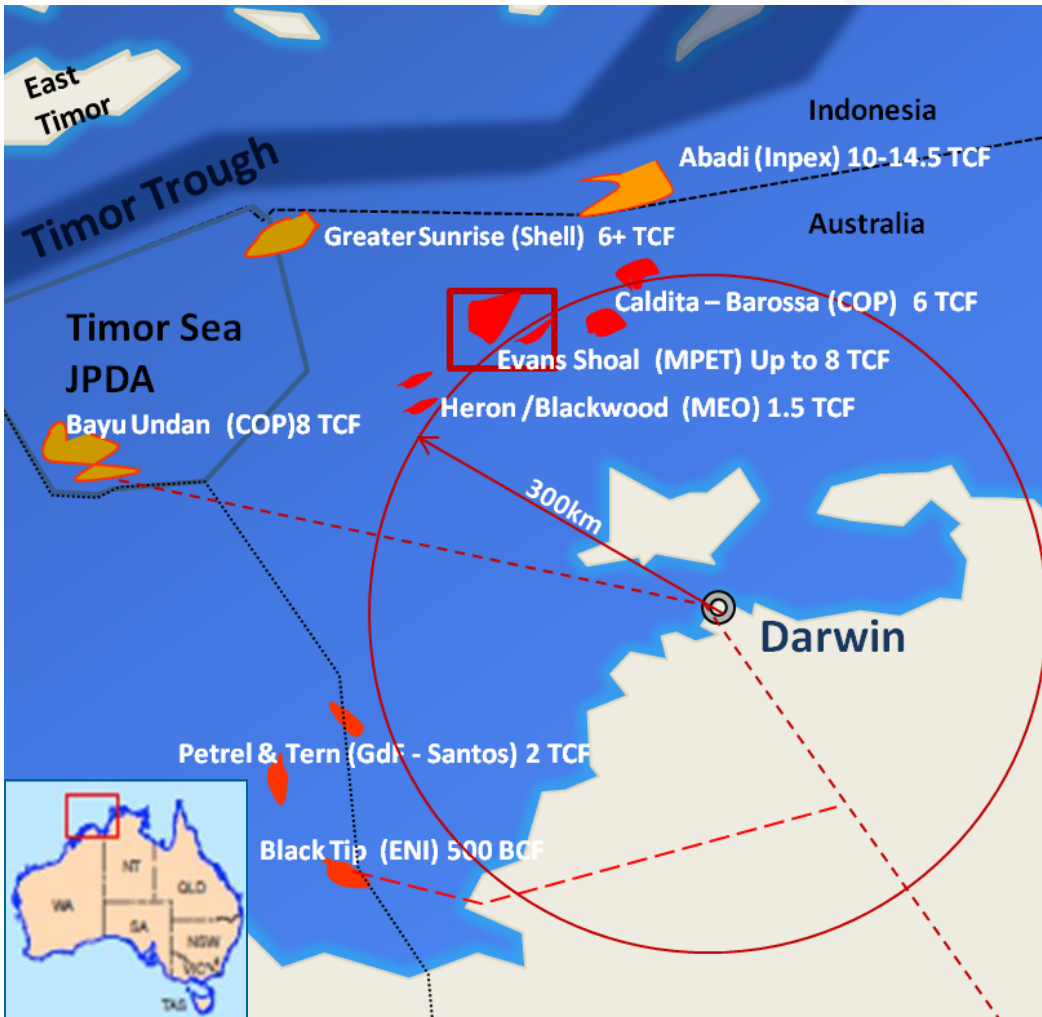
www.methanolmsa.com



- | | | |
|----------------------------------|-----------------------------------|-----------------------------------|
| ■ Formaldehyde | ■ Acetic Acid | ■ Methyl tert-Butyl Ether (MTBE) |
| ■ Methyl Methacrylate | ■ Dimethyl terephthalate (DMT) | ■ Methanethiol (Methyl Mercaptan) |
| ■ Methylamines | ■ Methyl Chloride (Chloromethane) | ■ Alternative Fuels |
| ■ Gasoline Blending & Combustion | ■ Biodiesel | ■ DME |
| ■ Fuel Cells | ■ Methanol-to-Olefins | ■ Others |

Up to 8 TCF - Methanol

- Contract to acquire 40% interest in field
 - Other owners are Shell (25%), Petronas (25%), Osaka Gas (10%)
- Hub Location (up to 80TCF in Bonaparte Basin)
- Full 3D seismic coverage
- Shallow water, huge structure
- Close to markets, particularly China
- Low marginal development cost
- Proximity to Darwin and its facilities and port



Evans Shoal

Up to 8 TCF

MPET-Shell-Petronas-Osaka Gas

Abadi 10-14.5 TCF
Inpex 400m

Caldita - Barossa 8 TCF
COP-Santos 200m

Evans Shoal

Heron /Blackwood 1.5 TCF
MEO Australia

300m

125m

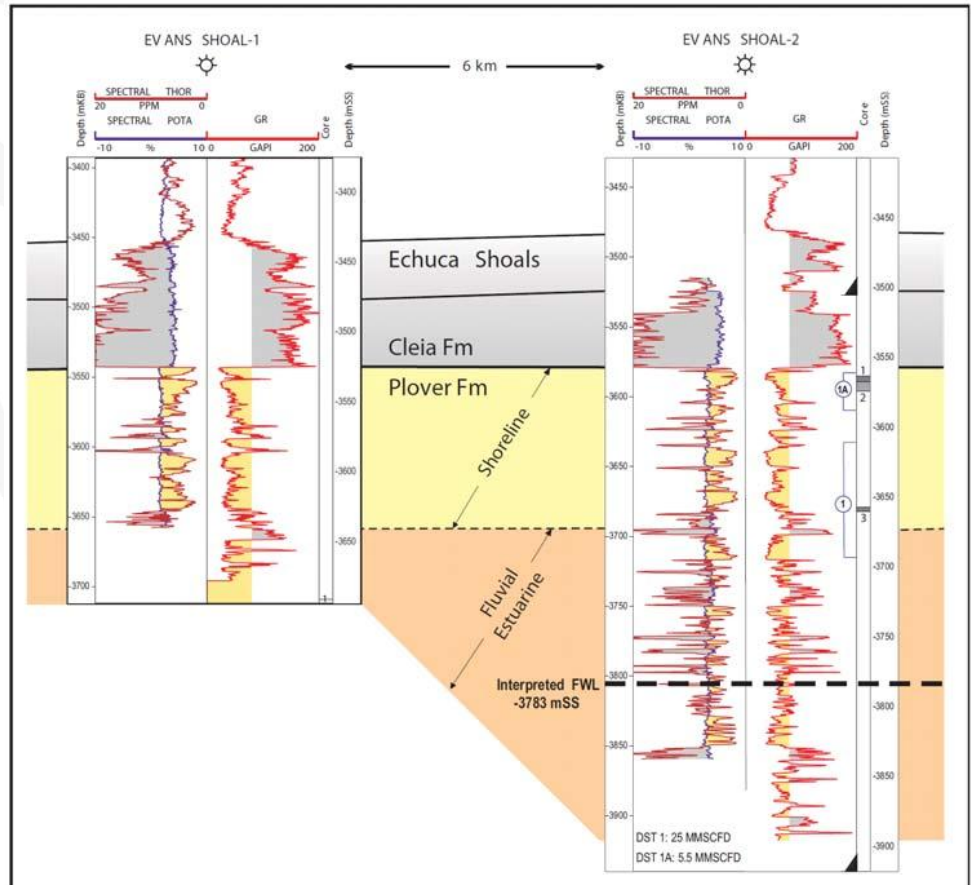
100m

75m

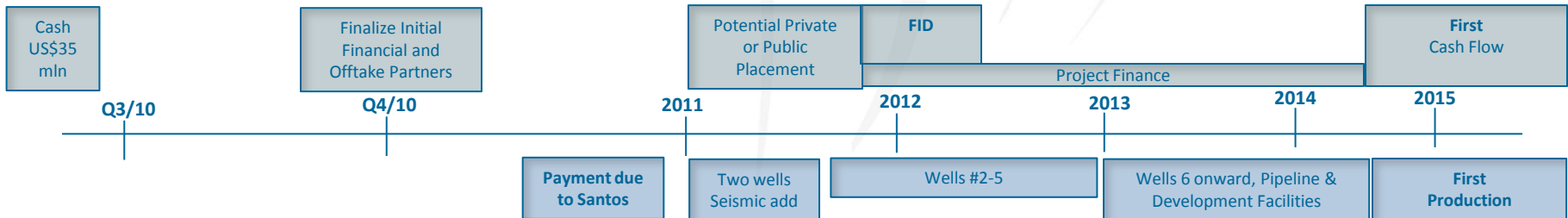
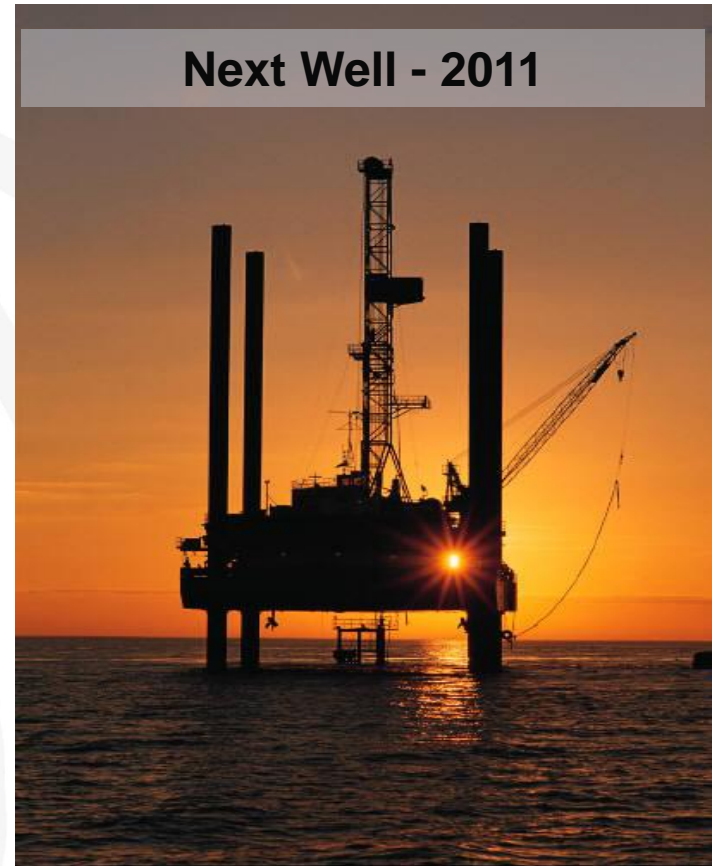
50m

25m

- Evans Shoal-2 DST 25.5mmscf/d in upper third of Elang Plover
- Drilled by Shell in 1998 to 3,850meters



- **MAR10 – Enters into Agreement to purchase 40% interest in Evans Shoal from Santos**
- **JUNE 10 -Commonwealth / FIRB**
 - Letter stating “no objections” received
- **AUG10 - Northern Territory**
 - Approval received
- **Q4 10 - Methanol Site Development**
 - Gain approvals, establish team.
 - Access to water, facilities, market is good
 - Next to key existing projects & infrastructure
- **Q410 – Santos Payment AUS\$85mIn (US\$79 mln)**
- **Q4 10 - Financial and Offtake Partner(s)**
- **Q4 10 – Development Strategy**
 - Key co-owner discussions
 - Key development plan work next year
 - New wells and targeted seismic
- **2011 - Further Testing / Offtake / Financing**



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NASDAQ: MPET

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... *A new direction*
