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Magellan to be Offered 7 Exploration Licenses Under 13th UK Onshore Licensing Round

Weald Basin, Onshore Southern England

HARTFORD, Conn., June 2 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET; ASX: MGN) reported that the Company's wholly-owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") announced that it has been successful in its bidding for Petroleum Exploration and Development Licenses (PEDLs) under the 13th UK Landward Licensing Round.

MPAL and its joint venturers will be offered seven PEDLs in the Weald and Wessex Basins of southern England, six of which will be operated by Magellan. The following table sets out the various participants for the offers.

Tentative PEDL no	Operator	Participants
231	Magellan (50%)	Celtique Energie (50%)
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234	Magellan (50%)	Celtique Energie (50%)
240	Northern Petroleum (62.5%)	Magellan (22.5%) Encore oil (7.5%) Montrose Industries (5%) Oil and Gas Investments (2.5%)
242	Magellan (100%)	
243	Magellan (50%)	Celtique Energie (50%)
246	Magellan (100%)	

The Secretary of State for Business Enterprise and Regulatory Reform announced on May 28 that 97 PEDLs would be offered to 54 applicants under the licensing round; a positive outcome that confirms the continuing commercial attractiveness of onshore oil and gas exploration opportunities in the UK.

Magellan already holds interests ranging from 22.5% to 100% in 11 PEDLs across southern England where it is actively exploring in the oil and gas producing Weald and Wessex Basins. The additional seven PEDLs make Magellan the largest acreage holder in the Weald Basin and confirm the Weald-Wessex Basin as a core exploration area for Magellan.

The Company recently announced that the PEDL 126 Joint Venture had received planning approval to drill the Markwells Wood-1 exploration well at a site to the north of Forestside in West Sussex, which will target a prospect that is interpreted to be an eastward extension of the currently producing Horndean oil field. Site construction for Markwells Wood-1 is

anticipated to commence later this year, with drilling to take place shortly thereafter.

Three of the current licenses (PEDLs 135, 136 and 137) are held and operated by Magellan with a 100% interest, and planning approval for drilling two prospects identified in PEDL 135 and PEDL 137 in 2009 has commenced.

Forward Looking Statements

Statements in this release 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 MPAL may relate to their business properties 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 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, pricing and production levels from the properties in which the Company has interests, the extent of the recoverable reserves at Magellan/MPAL properties and the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. Any forward-looking information provided in this release should be considered with these factors in mind. Magellan assumes no obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise.

SOURCE Magellan Petroleum Corporation