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Magellan Petroleum Corporation Updates Mereenie Gas Sales Status

PORTLAND, Maine, Dec. 29 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET) (ASX: MGN)

In prior communications, December 15, 2009 was noted as the Blacktip startup date which could cause significant gas flow reductions at Magellan's Mereenie gas and oil field west of Alice Springs, NT, Australia. December 15th has passed and Magellan continues to sell natural gas volumes at or slightly below historical volume levels to Power and Water Corporation (PWC) under the "reasonable endeavors" provision of the higher-priced Mereenie Sales Agreement 4 (MSA4). MSA4 extends to December 31, 2010 (unless amended or further extended) and is intended to supplement Blacktip volumes.

Magellan is not currently holding gas supply discussions with PWC. However, gas flow is continuing under MSA4 and further reviews to sort through the status of Blacktip and Darwin supply diversity could occur.

Forward Looking Statements

Statements in this press release which are not historical in nature are intended to be, and are hereby identified as, forward looking statements for purposes of the "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. The Company cautions readers that forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward looking statements. Among these risks and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits and faces the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. The Company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

SOURCE Magellan Petroleum Corporation