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Magellan Petroleum Corporation Announces Two Inducement Grants Under Nasdaq Rule 5635(c)(4) to new Senior Geologist and new Executive Assistant

DENVER, Dec. 14, 2012 /PRNewswire/ -- Magellan Petroleum Corporation (the "Company") (NASDAQ: MPET) (ASX: MGN) has appointed Chris Peterson to the position of Senior Geologist and Kristin Keller to the position of Executive Assistant.

In connection with Ms. Peterson's and Ms. Keller's appointments, on December 4, 2012, the Company granted inducement equity awards outside the Company's Stock Incentive Plan to Ms. Peterson and to Ms. Keller in accordance with Nasdaq Listing Rule 5635(c)(4). The grants were approved by a majority of the Company's independent directors, and were granted as inducements material to Ms. Peterson's and Ms. Keller's entering into employment with the Company, effective October 20, 2012, and November 14, 2012, respectively, in accordance with Nasdaq Listing Rule 5635(c)(4).

The grant to Ms. Peterson consisted of nonqualified options to purchase 75,000 unregistered shares of the Company's common stock (the "Shares") with a ten-year term and an exercise price equal to \$0.789 per share, the NASDAQ closing price of the Company's common stock on the grant date. The grant to Ms. Keller consisted of nonqualified options to purchase 7,500 unregistered Shares, also with a ten-year term and an exercise price equal to \$0.789 per share, the NASDAQ closing price of the Company's common stock on the grant date. Ms. Peterson's and Ms. Keller's options were, and the Shares will be (absent registration prior to exercise), privately placed pursuant to applicable exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Ms. Peterson's and Ms. Keller's options are scheduled to vest one third on the grant date, the second one third on the first anniversary of the grant date, and the final one third on the second anniversary of the grant date. The vesting of the options will be contingent upon Ms. Peterson's and Ms. Keller's continued employment with the Company. The vesting of the options will accelerate and become exercisable in full upon a "change of control" (as defined in the underlying award agreements) of the Company. The options are non-transferable except under limited circumstances. The Shares (absent registration prior to exercise) will be subject to the provisions of Rule 144 promulgated under the Securities Act.

About Magellan

Magellan is an independent energy company engaged in the exploration, development, production, and sale of crude oil and natural gas from currently held assets in the United States, Australia, and the United Kingdom. Traded on NASDAQ since 1972, the Company conducts its operations through two wholly owned subsidiaries, Nautilus Poplar LLC, which

owns interests at Poplar, a highly attractive oil field in the Williston Basin, and Magellan Petroleum Australia Limited, a successful independent oil and gas company in Australia and the UK in existence since the 1960s. The Company's mission is to enhance shareholder value by maximizing the full potential of existing assets. Magellan routinely posts important information about the Company on its website at www.magellanpetroleum.com.

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SOURCE Magellan Petroleum Corporation