

February 23, 2016



Magellan Announces Preliminary Results of Horse Hill Flow Test

DENVER, CO -- (Marketwired) -- 02/23/16 -- Magellan Petroleum Corporation (NASDAQ: MPET) ("Magellan" or the "Company") today announced preliminary results of a flow test of the Horse Hill-1 well located in the Weald Basin, onshore UK, which is operated by Horse Hill Development Limited ("HHDL") and in which Magellan has a 35% interest.

UK Oil & Gas Investments PLC ("UKOG"), listed on the AIM of the London Stock Exchange, owns direct and indirect interests totaling approximately 20% in the Horse Hill-1 well. On February 16 and 17, 2016, UKOG announced that HHDL had informed them of the preliminary results of the flow test, indicating that light, 40-degree API, sweet oil has flowed naturally to the surface from the Lower Kimmeridge limestone interval at a rate of approximately 450 bopd.

The Horse Hill-1 well lies within the license area of PEDL 137. Pursuant to a farmout agreement executed in December 2013, HHDL is the operator of and owns a 65% interest in both the license and the well, and Magellan is carried 100% for its 35% share of the costs of this well, including drilling, testing, and completion costs.

J. Thomas Wilson, President and CEO of the Company, commented, "Even though the results of this flow test are not definitive and are just the beginning of measures to establish the commercial viability of this discovery, they are very encouraging as to the potential future production rate of the well. The Lower Kimmeridge limestone formation represents a new reservoir objective and this is the first time oil has been tested from this interval. The ability to receive free flowing oil from the Lower Kimmeridge formation provides significant additional evidence that oil is mature in the Kimmeridge formation onshore UK, which is a critical aspect of our interpretation of the Weald Basin and provides further support to the potential of the Weald Basin as a potentially significant prospect. The Kimmeridge formation is already known to be a major source rock of the North Sea. The next steps of the flow test consist of testing the Upper Kimmeridge and Portland formations."

CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

Statements in this press release, including forecasts or projections that 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. The words "believe", "estimate", "evaluate", "expect", "initial", "intend", "plan", "potential", "preliminary", "project", "should", "tend", "will", and similar expressions are intended to identify forward-looking statements. These statements about the Company may relate to its businesses and prospects, planned capital projects and expenditures, increases or decreases in oil and gas production and reserves, estimates regarding recoverable resource potential, revenues, expenses, and operating cash flows, progress in developing the Company's projects, future

values of those projects, and other matters that involve a number of risks and uncertainties that may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. Among these risks and uncertainties are the following: the uncertain nature of the preliminary flow test results for the Horse Hill-1 well, which are subject to further testing, detailed analysis, and interpretation, and are not necessarily indicative of future production or ultimate recovery of oil or other hydrocarbons from the well, PEDL 137, or the Weald Basin; the uncertainty of drilling and completion conditions and results; the availability of drilling, completion, and operating equipment and services; possible geologic or other obstacles to the further development of the Horse Hill-1 well, PEDL 137, and the Weald Basin; possible geologic or other obstacles to obtaining commercially acceptable levels of production from the Horse Hill-1 well, uncertainties inherent in projecting future rates of production from the Horse Hill-1 well; the uncertain nature of oil and gas prices in the UK, including uncertainties about the duration of the currently depressed oil commodity price environment and the related impact on the Company's project developments and ability to obtain financing; the Company's limited amount of control over activities on its non-operated properties; the uncertain nature of the anticipated value and underlying prospects of the Company's UK acreage position; government regulation and oversight of drilling and completion activity in the UK, including possible restrictions on hydraulic fracturing that could affect the Company's ability to realize value from unconventional resource projects in the UK; the uncertain nature of the overall political and social environment in the UK with respect to conventional and unconventional oil and gas developments; uncertainties regarding the Company's ability to maintain sufficient liquidity and capital resources to implement its projects or otherwise continue as a going concern; and other matters discussed in the "Risk Factors" sections of the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Any forward-looking information provided in this release should be considered with these factors in mind. Any forward looking statements in this press release speak as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this press release, whether as a result of new information, future events, or otherwise, except as required by securities laws.

ABOUT MAGELLAN

Magellan Petroleum Corporation is an independent oil and gas exploration and production company focused on CO2-EOR projects in the Rocky Mountain region. Historically active internationally, Magellan also owns significant exploration acreage in the Weald Basin, onshore UK, and an exploration block, NT/P82, in the Bonaparte Basin, offshore Northern Territory, Australia. Our strategy is to enhance shareholder value by maximizing the value of our existing assets. Our portfolio of operations includes several early stage oil and gas exploration and development projects, the successful development of which requires significant capital, as well as significant engineering and management resources. Magellan routinely posts important information about the Company on its website at www.magellanpetroleum.com.

For further information, please contact:

Antoine Lafargue
Senior Vice President -- CFO, Treasurer, and Corporate Secretary
720.484.2404
IR@magellanpetroleum.com

Source: Magellan Petroleum Corporation