

February 14, 2008



Magellan Petroleum Corporation Announces Second Quarter Earnings

HARTFORD, Conn., Feb. 14 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET) (ASX: MGN) reported a consolidated net loss of \$9.7 million (\$.23 per share) on gross revenues of \$10.4 million in its fiscal second quarter ended December 31, 2007, as compared to a net loss of \$8,000 (\$.00 per share) on revenues of \$8.4 million in last year's second quarter.

For the six-month period ended December 31, 2007, the Company reported a net loss of \$9.3 million (\$.22 per share) on \$19.7 million in revenues, compared to net income of \$1 million (\$.02 per share) on revenues of \$15.2 million in the prior period last year.

The net loss for both the second quarter and the six month period ended December 31, 2007 includes a charge of \$12.8 million (\$.31 per share) in the income tax provision for the tax settlement between Magellan's 100% owned Australian subsidiary, Magellan Petroleum Australia Limited (MPAL) and the Australian Taxation Office (ATO). (See Magellan's press release dated February 7, 2008)

Magellan's president, Dan Samela said "A look at operating results before the tax provision tells a different story. Pretax income was up \$2.9 million over last year's quarter due mostly to the successful drilling campaign in the Nockatunga oil field. Pretax income for the six months ended December 31, 2007 was \$.09 per share, nearly double the \$.05 per share last year.

Though we had to absorb a tough ATO settlement, we are pleased with our operating results for this quarter and the first half of fiscal 2008. Total revenues are up 23% and 29% for the quarter and six months, respectively over last year."

Exploration and dry hole costs for the 2007 quarter are down \$1.8 million over the 2006 quarter due to reduced exploration expenditures in the Cooper Basin.

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.

Comparative, consolidated results for the three and six-month periods are shown in the following consolidated statements of operations:

MAGELLAN PETROLEUM CORPORATION				
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS				
(unaudited)				
	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DECEMBER 31,		DECEMBER 31,	
	2007	2006	2007	2006
REVENUES:				
Oil sales	\$4,887,721	\$3,227,393	\$9,620,541	\$6,152,907
Gas sales	4,772,980	4,490,952	8,762,164	7,894,350
Other production related revenues	713,280	695,740	1,313,209	1,189,992
Total revenues	10,373,981	8,414,085	19,695,914	15,237,249
COSTS AND EXPENSES:				
Production costs	2,525,231	1,806,267	4,623,257	3,597,406
Exploration and dry hole costs	724,117	2,541,280	2,737,591	2,973,263
Salaries and employee benefits	375,840	394,972	820,349	710,102
Depletion, depreciation and amortization	2,796,390	2,762,867	5,957,646	4,764,819
Auditing, accounting and legal services	321,052	148,204	558,103	324,009
Accretion expense	176,180	134,413	346,388	266,179
Shareholder communications	154,222	159,342	201,288	235,890
Gain on sale of field equipment	(17,304)	-	(26,957)	-
Other administrative expenses	771,732	644,969	1,641,645	1,167,581
Total costs and expenses	7,827,460	8,592,314	16,859,310	14,039,249
Operating income (loss)	2,546,521	(178,229)	2,836,604	1,198,000
Interest income	569,862	425,793	1,059,079	770,913
Income before income taxes	3,116,383	247,564	3,895,683	1,968,913
Income tax provision	(12,797,866)	(255,471)	(13,178,636)	(946,684)
NET (LOSS) INCOME	(9,681,483)	(7,907)	(9,282,953)	1,022,229
Average number of shares outstanding				
Basic	41,500,325	41,500,325	41,500,325	41,500,325
Diluted	41,500,325	41,500,325	41,500,325	41,500,325
NET (LOSS) INCOME PER SHARE (BASIC AND DILUTED)	\$ (.23)	\$ (.00)	\$ (.22)	\$.02

SOURCE Magellan Petroleum Corporation

