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Planning Permission Granted to Drill Extension of an Oil Field in the Weald Basin, Onshore Southern England

HARTFORD, Conn., May 15 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET) (ASX: MGN) reported that the Company's wholly-owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") announced that Northern Petroleum, as Operator of the PEDL 126 Joint Venture, has received planning approval to drill an exploration well from a site to the north of Forestside in West Sussex, England.

Northern Petroleum, as Operator of the PEDL 126 Joint Venture, has received planning approval to drill an exploration well from a site to the north of Forestside in West Sussex, England. The Markwells Wood-1 well will target a prospect that is interpreted to be an eastward extension of the currently producing Horndean Oil Field.

MPAL, its Joint Venturers and professional advisors have analysed data from, and between, the Horndean and Singleton oilfields lying some 15 km apart and have concluded that they are in essence the same oil accumulation. Markwells Wood is the first site of two within the license where structures have been mapped to exist above the interpreted common oil-water contact.

Site construction for Markwells Wood-1 is anticipated to commence later this year, with drilling to take place shortly thereafter.

The Joint Venturers are particularly conscious of their commitments to be a good neighbor to the local community as well as being committed to health, safety and the environment and all operations will therefore be conducted with these factors in mind.

MPAL wishes to acknowledge the cooperative approach shown by Northern Petroleum, the planning officers and all other parties involved in the Markwells Wood drilling decision.

Participants in PEDL 126 are:

Magellan Petroleum (N.T.) Pty Ltd	40%
Northern Petroleum (GB) Ltd	50% (Operator)
Encore Oil Plc	10%

Markwells Wood-1 will be the first of several wells to be drilled by MPAL in this area of southern England over the next 12 to 18 months. Governmental approval is currently being sought to drill one well in each of licenses PEDL 099, 125, 135 and 137.

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