

June 9, 2010



Australian Foreign Investment Review Board (FIRB) Indicates "No Objection" to Magellan's Acquisition of Santos's 40% Interest in the Evans Shoal Natural Gas Field, Offshore Australia

PORTLAND, Maine, June 9 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET) (ASX: MGN) ("Magellan" or the "Company") announces that Australia's Foreign Investment Review Board (FIRB) has indicated they have "no objection" to Magellan's acquisition of Santos Limited's (Santos) 40% interest in the Evans Shoal natural gas field (NT/P48). The Board examines proposals by foreign interests to undertake direct investment in Australia and makes recommendations to the Government on whether those proposals are suitable for approval under the Government's policy.

Closing of the purchase, which is subject to regulatory and other approvals including this FIRB approval, is targeted for completion in late 2010.

On March 25, 2010, the Company announced the execution of an agreement by its wholly-owned subsidiary, Magellan Petroleum Australia Limited (MPAL), with Santos to purchase Santos' 40% interest in the Evans Shoal natural gas field (NT/P48), located in the Bonaparte Basin offshore Northern Australia. The Evans Shoal field is very large with estimated contingent natural gas resource of between 6.5 and 8 TCF (trillion cubic feet), including CO₂ content and gas condensate resource totalling more than 30 million barrels. Value from this resource is dependent upon completion, submission and approval of a development plan and upon further drilling which we believe will support the field's potential. To further advance the development of the field, the Company has completed a presentation to its future joint venture partners which outlined a work plan that would begin to quantify resources in place and lead to the development of the field for Asian markets.

Magellan plans to advance its work plan, as endorsed by the joint venture partners, by obtaining additional funding after completing evaluation of the various funding options available to the Company. The Company expects to shortly conclude a definitive purchase and sale agreement for the sale of its common stock to its strategic investor, Young Energy Prize, S.A. (YEP), as previously announced.

Periodic updates will be issued on progress in advancing the development of the Evans Shoal field.

Evans Shoal was discovered in 1988. It lies in a range of water depths from very shallow to more than 300 feet and has had three wells drilled. Subsequent drill stem testing flowed gas

at a stabilized rate of 25 MMCFD (million cubic feet per day). The field contains a substantial quantity of CO₂. Carbon dioxide is a significant feed component for the production of Methanol but can add cost to LNG development. The Evans Shoal acquisition could give Magellan and its partners a development opportunity with regard to Asia's growing LNG and Methanol markets.

Key offtake / investment negotiations with interested parties are active.

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; the extent of the recoverable reserves at those properties; the accuracy of reserve estimates; the completion of the planned Evans Shoal transaction; the success or occurrence of potential development and operational plans and opportunities for the Evans Shoal field; and the profitable integration of acquired businesses, including Nautilus Poplar LLC, into the Company's operations. 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