

June 22, 2015



## Magellan Provides Update on Poplar and Other Projects

DENVER, CO -- (Marketwired) -- 06/22/15 -- Magellan Petroleum Corporation (NASDAQ: MPET) ("Magellan" or the "Company") today provided updates on several of its projects.

### ***Poplar***

Magellan has completed a detailed reservoir engineering study using data from the CO<sub>2</sub>-enhanced oil recovery ("CO<sub>2</sub>-EOR") pilot, and with the results of that study has estimated that approximately 80 to 100 MMboe may be recoverable from the B-1 and B-2 zones of the Charles formation at Poplar using the CO<sub>2</sub>-EOR technique over approximately 40 years. This estimate, which does not constitute reserves as defined by the SEC, is approximately double the amount of previous estimates.

J. Thomas Wilson, President and CEO of the Company, commented, "The data now shows that Poplar is even larger than first thought in terms of the estimated amount of recoverable barrels of oil from CO<sub>2</sub>-EOR. We continue to work through the economics of this project, in particular the capital costs associated with full field development and the efficiency of the CO<sub>2</sub> sweep across the formation to production wells. We believe that, subject to finalizing our economic evaluation, a project of this magnitude and duration should be economic even in the current oil price environment."

### ***Utah CO<sub>2</sub>***

On May 28, 2015, the partners in Utah CO<sub>2</sub> LLC ("Utah CO<sub>2</sub>"), in which the Company holds a 51% interest, elected to exercise Utah CO<sub>2</sub>'s option to enter into an agreement for long-term CO<sub>2</sub> supply from Farnham Dome, located in Carbon County, Utah. This election was made pursuant to the terms of the option agreement entered into between Utah CO<sub>2</sub> and Savoy Energy ("Savoy") on December 1, 2014, as amended (the "Option Agreement").

Utah CO<sub>2</sub> will now negotiate with Savoy to enter into a complete CO<sub>2</sub> purchase agreement based on the terms and conditions set forth in the Option Agreement. Under those terms, no upfront consideration is due to Savoy, and Utah CO<sub>2</sub> will not be obligated to purchase CO<sub>2</sub> from Savoy until the third anniversary of the date of the CO<sub>2</sub> purchase agreement.

Mr. Wilson commented: "We remain very excited by the CO<sub>2</sub> potential of central Utah. We believe that the ability to purchase CO<sub>2</sub> at an attractive price from Farnham Dome is a valuable asset to the Company. We will continue to work to combine Farnham Dome's CO<sub>2</sub> with an oil field to create value for Utah CO<sub>2</sub>, its partners, and their shareholders."

### ***Central Petroleum Limited ("Central")***

On June 4, 2015, Central, in which Magellan holds an 11% ownership stake, announced a definitive agreement to acquire operatorship of, and 50% of the working interest in, the Mereenie Field from Santos. The acquisition is subject to regulatory approvals and

expansion of Central's existing debt facility.

Mr. Wilson commented, "This transaction will bring all the fields in the Amadeus Basin under one operator for the first time, allowing Central to realize tremendous operating flexibility and economies of scale. It will also allow Central to contribute substantial productive capacity toward the planned pipeline interconnect between Northern Territory and the eastern Australian gas markets. We believe this acquisition represents substantial value upside for Central in the short to medium term."

### ***UK Horse Hill***

On June 5, 2015, UK Oil & Gas Investments PLC ("UKOG"), an interest owner in the Horse Hill-1 well ("HH-1") and PEDL 137, in which Magellan owns a 35% interest, announced that Schlumberger, one of the leading suppliers of technology, integrated project management, and information solutions to customers working in the global oil and gas industry, has independently assessed the petrophysics of HH-1. Schlumberger has estimated overall Oil In Place ("OIP") for the Jurassic section of the well to be approximately 271 MMboe per square mile, consisting of 16.2 MMboe per square mile for the conventional Upper Portland Sand reservoir discovery and 255.2 MMboe per square mile for the tight limestone and mudstone plays of the Kimmeridge, Oxford Clay, and Liassic.

Mr. Wilson commented, "We are encouraged by the consistency of the potential OIP in the Upper Portland and Kimmeridge formations estimated by several reputable consulting firms, including Schlumberger, Nutech, and Xodus. These estimates also support our view of the very large oil potential of the Kimmeridge in the Weald Basin. We believe the outcome of the flow test of the Upper Portland is the next critical step, which, if successful, could allow us to move the license into the production period and start producing oil from HH-1. Our strategy is also focused on establishing the potential of the Kimmeridge and Liassic formations in the Weald Basin, which we believe could contain significant hydrocarbon prospects."

### ***Next Steps***

Mr. Wilson commented, "The progress we made with several of the Company's projects will put us in a position to evaluate the most appropriate options and alternatives to create value for the Company's shareholders."

### ***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", "forecast", "initial", "intend", "plan", "potential", "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: uncertainties associated with our planned CO<sub>2</sub>-EOR program at Poplar, including uncertainties about the technical and economic viability of CO<sub>2</sub>-EOR techniques at Poplar, the drilling results from the pilot project, the results of CO<sub>2</sub> injection, including the ability to

sustain CO2 pressures at sufficient effective levels to sweep the oil across the formation to production wells, the Company's ability to acquire a long term CO2 supply for the program, possible adverse changes to the CO2-EOR industry, possible geologic or other obstacles to the further development of the Company's Poplar project, possible geologic or other obstacles to obtaining the anticipated production from the Company's CO2-EOR projects and the timing of development milestones, uncertainties inherent in projecting future rates of production from CO2-EOR activities, and whether enhanced production expected from CO2-EOR will be comparable to other CO2-EOR projects or otherwise meet the Company's expectations; risks and uncertainties inherent in estimates of amounts of potentially recoverable hydrocarbon resources and OIP; the uncertain nature of oil and gas prices, including uncertainties about the duration of the currently depressed oil commodity price environment and the related impact on the Company's revenues, project developments, and ability to obtain financing; uncertainties regarding Utah CO2's ability to enter into a complete definitive CO2 purchase agreement with Savoy and successfully acquire CO2 at Farnham Dome in Utah and realize the expected benefits thereof; uncertainties regarding the fulfillment of the conditions to completion of Central's acquisition agreement with Santos; uncertainties regarding the Company's ability to maintain sufficient liquidity and capital resources to implement the Company's projects; 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. 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.

#### ***CAUTIONARY INFORMATION ABOUT NON-RESERVE INFORMATION***

The United States Securities and Exchange Commission (the "SEC") prohibits oil and gas companies from disclosing, in their filings with the SEC, estimates of oil or gas volumes or values other than with respect to "reserves," which are defined by SEC rules to mean estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations (subject to additional conditions). In this press release, the Company refers to estimates of recoverable volumes of oil and a third-party estimate of OIP, which the SEC prohibits from being included in filings with the SEC. Estimates of recoverable volumes of oil and OIP are generally just an indication of the size of a hydrocarbon reservoir and not an indication of reserves or the quantity of oil that is likely to be produced. Estimates of recoverable volumes of oil and OIP are inherently uncertain, and should not be considered to be comparable to proved, probable, or possible reserves.

#### ***ABOUT MAGELLAN***

Magellan Petroleum Corporation is an independent oil and gas exploration and production company focused on the development of 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, which the Company currently plans to farmout. Our strategy is to enhance shareholder value by maximizing the value of our CO2-EOR business and our international projects. We are committed to efficiently investing financial, technical, and management capital in our projects in order to achieve the greatest risk-adjusted value and returns for our shareholders. Magellan routinely posts important information about the

Company on its website at [www.magellanpetroleum.com](http://www.magellanpetroleum.com).

For further information, please contact:

Antoine Lafargue

Senior Vice President -- CFO, Treasurer, and Corporate Secretary

720.484.2404

[IR@magellanpetroleum.com](mailto:IR@magellanpetroleum.com)

Source: Magellan Petroleum Corporation