

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 7, 2010 (May 5, 2010)

Magellan Petroleum Corporation  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

1-5507  
(Commission File Number)

06-0842255  
(IRS Employer Identification No.)

7 Custom House Street, Portland, ME  
(Address of Principal Executive Offices)

04101  
(Zip Code)

207-619-8500  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01 Regulation FD Disclosure**

Representatives of Magellan Petroleum Corporation (the “Company”), including William H. Hastings, President and CEO, completed initial presentations in New York City on May 5<sup>th</sup> and 6<sup>th</sup> reviewing the Company, its legacy and new assets, certain valuation assumptions, and suggested equity financing options. The text and charts of those presentations are furnished herewith as Exhibit 99.1 and are incorporated by reference herein. The presentations have also been posted to the Company’s Website – [www.magellanpetroleum.com](http://www.magellanpetroleum.com).

Such material may be presented to investors in the future. In addition, the Company will also present its current business plans and valuation assumptions at the Oil and Gas Investment Symposium sponsored by IPAA in London on June 10<sup>th</sup>, 2010.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

The following exhibit is furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Company presentation to investors, dated May, 2010.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MAGELLAN PETROLEUM CORPORATION

By: /s/ William H. Hastings

Name: William H. Hastings

Title: President and Chief Executive Officer

Dated: May 7, 2010

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Company presentation to investors, dated May, 2010.



William H. Hastings  
Portland, Maine

## Financing Review

May, 2010  
New York



## Forward-Looking Statements

Except for historical information, this presentation contains forward looking statements and information with respect to net reserve valuations and sums, gas sales in Australia and its valuation, oil and gas development projects, expense reduction plans and other potential development projects, exploration and drilling plans. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied from such information.

The United States Securities and Exchange Commission (SEC) permits oil and gas filings with the SEC to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Investors are urged to consider closely the disclosures in Magellan's periodic filings with the SEC available from us at the company's website [www.magellanpetroleum.com](http://www.magellanpetroleum.com)

# Overview

## Key Points

- Magellan; publicly listed E&P company
  - \$112mm market Cap trading under the symbol : MPET
- No Sell-Side Research Coverage
- \$38mm of Cash and no debt
  - Net of A\$15 million spent for recent Evans Shoal property acquisition
- Owns onshore gas fields in Australia
  - \$20mm of Proved PV-10 as of June 30, 2009
  - Proved reserves understate physical reserves as Gas Contracts with Darwin are expiring
  - If full gas sales are achieved, PV-10 is \$70-80 million.
- New management installed in 2008
- New Strategic investor acquired 27% stake in 2009
- Acquired two growth projects,
  - the Poplar Dome fields in Montana
  - the Evans Shoal gas field, offshore Australia
- Together, the fields have 450 million BOE of net resource (adjusted for CO2 content)
- 220 million BOE is planned for development by 2014

# Background

- 1954
  - MPET listed as exploration-oriented oil company
- 1960's
  - Amadeus Basin Gas Fields in Central Australia discovered with partner, Santos.
- 1980's and 90's
  - Pipeline completed connecting gas fields and Darwin. Gas fields produce 40 mmcf/d gross for more than 25 years.
- 2003
  - Amadeus Basin Gas Fields lose tender for renewal of 25 year gas sales contract to Darwin to Eni's Black Tip offshore field to spur development of this undeveloped field
- December 2008
  - Bill Hastings is hired as new CEO with mandate to reposition company.
- July 2009
  - YEP Energy Fund completes \$10mm strategic investment and adds Wilson and Bogachev to Board
- October 2009
  - Announced HOA and Exclusivity with Major Global Methanol producer
- October 2009
  - Acquired control of 69% (57.4% effective) interest in Poplar Dome Fields in Montana for MPET stock
- April 2010
  - Acquired 40% interest in from 6.5 to 8 TCF (Santos 6.6 TCF) undeveloped gas field in Australia for \$91mm
  - Announced acquisition of an additional 26% interest in Poplar Dome fields for \$5 mm cash.



# Management Team

- **100 years + of oil industry experience** (added last year)

- **William Hastings**

- Joined in 2008, retired in 2007 from Marathon Oil Corporation after 27 years there.
- Last 8 years (off/on) involved with North Sea (Alvheim development) and Africa (EGLNG)
- Undergraduate and MBA degrees (Purdue and Indiana)

- **J. Tom Wilson**

- Founded international group at Apache Corporation; managed first entry into Australia
- Board Member representing YEP Investment Fund
- CEO of Khanty Mansysk Oil (KMOC) sold to Marathon

- **Nikolay Bogachev**

- Chairman and CEO of the two Companies that developed Yamal LNG; sold to GazProm in 2006
- Board Member representing YEP Investment Fund
- Founder of Khanty Mansysk Oil

- **Hugh Roberts**

- Commercial Advisor. Retired from Marathon Oil as Manager of Industry/Regulatory Affairs
- Past Vice Chairman of Gas Industry Standards Board

- **COO and CFO being recruited**

- **Advisory Roles**

- **Les Thomas**

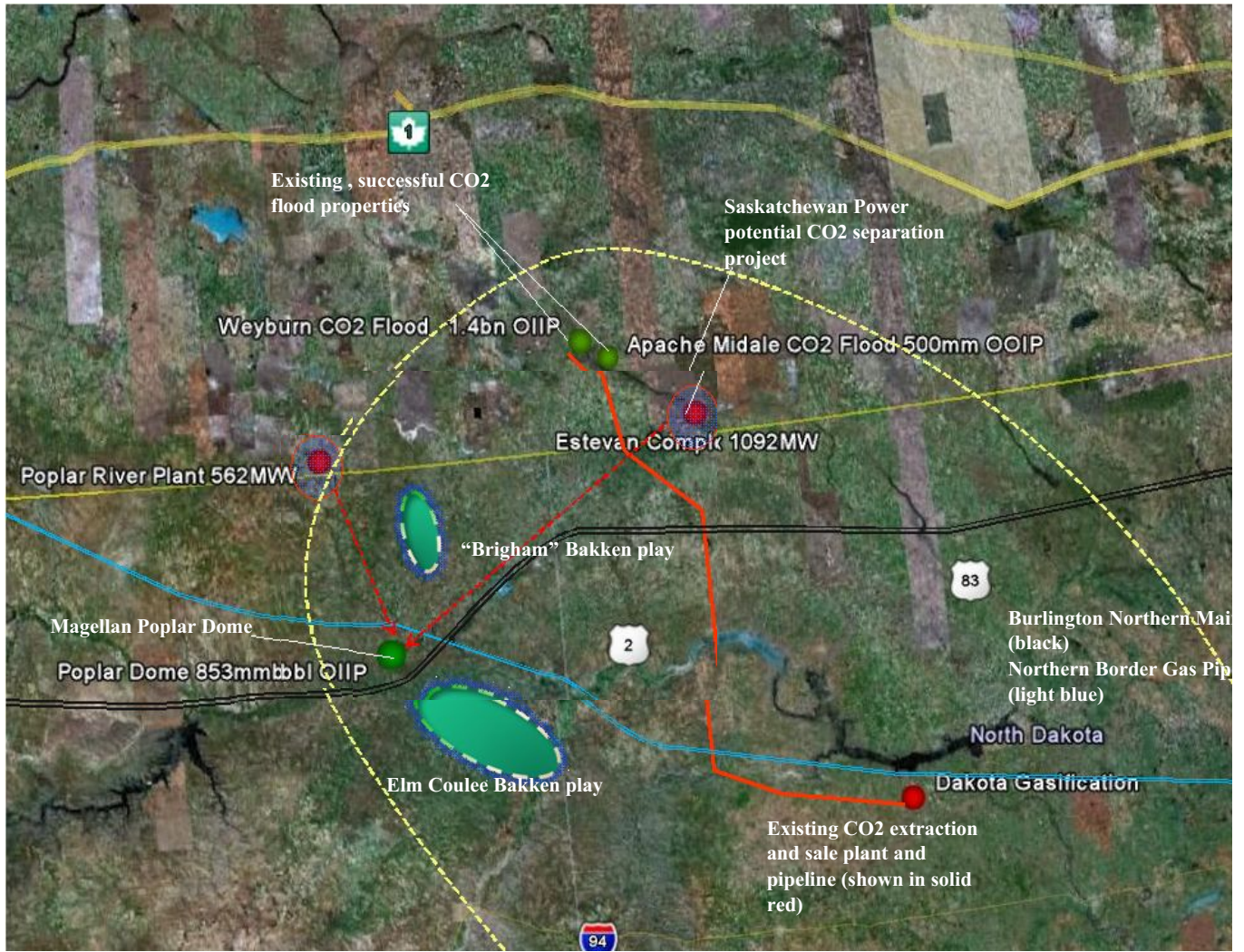
- Currently Group Director, Production Facilities, Wood Group. Formerly President, Marathon Oil UK

- **Offices in Portland, Maine; Denver, Colorado; Brisbane, Australia**

# Growth Opportunity

## 1. Poplar Dome CO2 Flood/ Bakken play in Montana

- **Acquired an 93.8% interest in the Poplar Dome fields containing up to 800 million barrels gross OOIP** (Original Oil in Place)
  - **Dome has produced 56 million barrels or 7% of OOIP since 1956**
    - Currently producing 260 bopd
  - **Field includes 23,000 acres underlain by Bakken shale**
    - Presence confirmed by well penetrations
    - Reservoir properties better than adjacent Elm-Coulee
    - Elm-Coulee field, 50000 bopd, is 20 miles to the southeast
    - Brigham Bakken play is 40 miles to the northeast
  - **Plans being developed for CO2 Flood**
    - Using sequestered CO2 volumes from adjacent power plants
    - Highly successful CO2 floods in same formations to our northeast (Encana and Apache)
    - Successful Flood can add up to 80 million barrels gross at an estimated cost of \$600 million gross
    - Unit Finding and Development cost is \$7.50 per barrel



# Poplar Dome Plans -2011

- **Drill Infill wells, Evaluate Bakken JV, Test CO2 factors**

- **Infill**

- **Drill up to eight infill wells out of thirty-six infill locations**
  - Probable reserves at 600k to 1.2 million barrels per well
  - **Capital cost for eight wells will be \$12 million**
  - Finding and Development costs are \$2.50 per barrel
  - Further geophysical work on correlations with emphasis on NW syncline and southwest nose

- **Bakken**

- **Evaluate farm-out and joint venture options for 23,000 ac. Bakken play**
  - Existing well penetrations, good reservoir quality, source shale for other Poplar zones
  - Third party engaged to manage the process. Working partner issues. Target completion August, 2010

- **CO2 Flood**

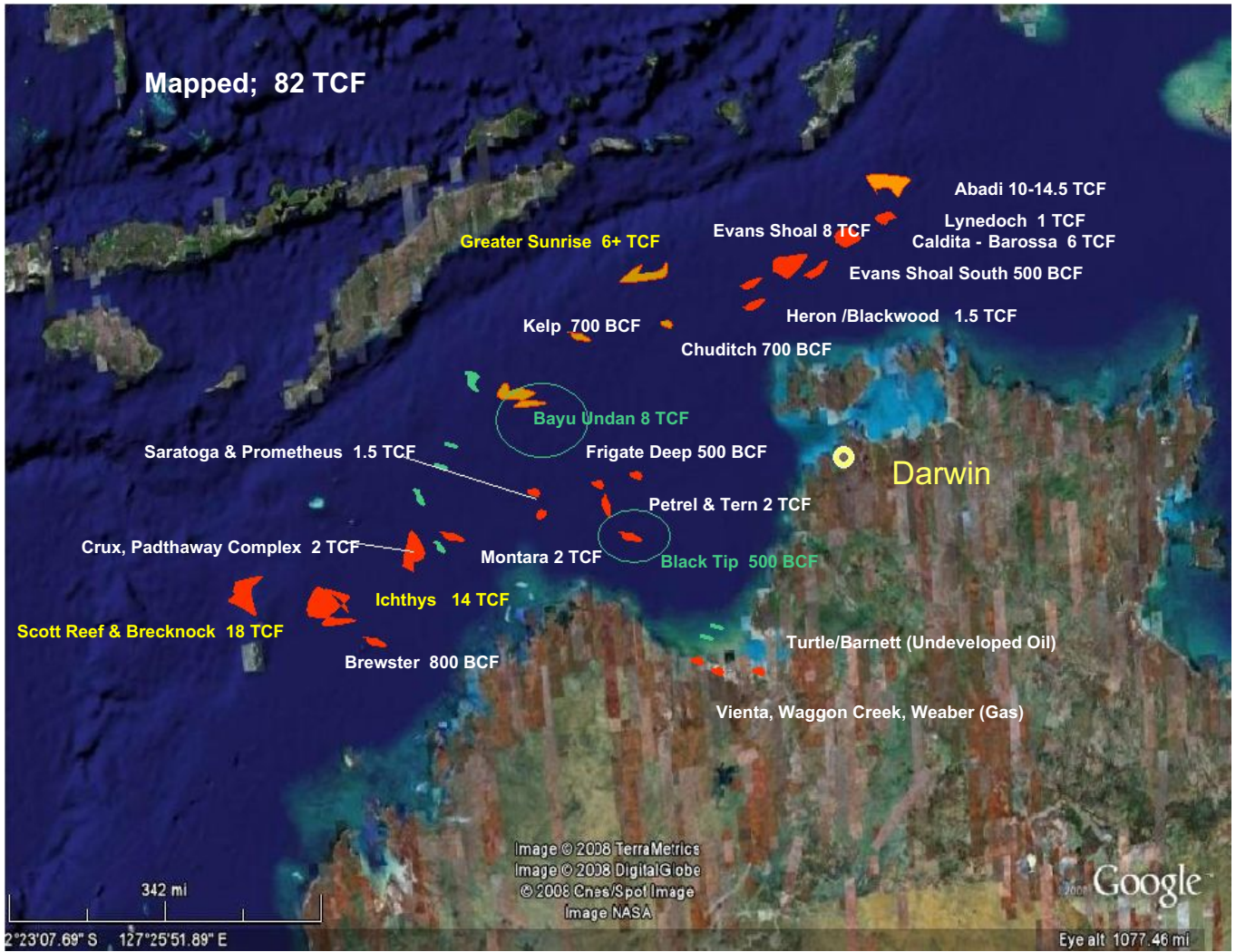
- **Complete three single well tracer operations to test Residual Oil saturation**
  - CO2 effectiveness driven by saturation
  - Examine part-scale startup economics for northwest side of the field.

# Growth Opportunity

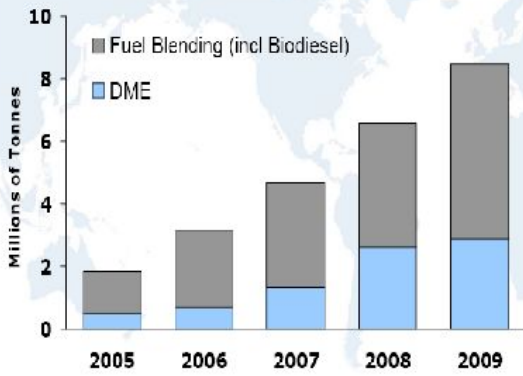
## 2. Gas to Methanol development, offshore Australia

- **Signed Agreement to acquire a 40% operating interest in the Evans Shoal field, offshore Australia with estimated gross contingent resources of 6.5 to 8 TCF (analysis dependent) and 50 mmbbls condensate.**
  - **Resource acquisition cost of \$182 million equates to 5.7 cents/mcf in the ground or 33 cents/ barrel equivalent**
    - Will pay \$91 million to Santos at Closing
    - Contingent \$45 million due on development plan approval: second contingent \$45 million due at first gas
    - Partners are Shell (25%), Petronas (25%), and Osaka Gas (10%)
- **Development plan addresses less than 25% of reserves**
  - **Significant Capital Project in partnership with large petrochemical companies**
    - \$3.7 billion gross including field, plant, and pipeline. \$1.5 billion net or \$2.00 per mcf
    - Methanol value yield \$325 per Ton is \$10.50/mmbtu at plant inlet gas (adjusted for plant shrinkage, but using CO<sub>2</sub>)
- **Global Methanol demand expected to grow at 8%**
  - **From 2009 to 2014, demand sources from DME and MEOH fuel additive growth**
    - Methanol demand has already increased by 250% since 1995

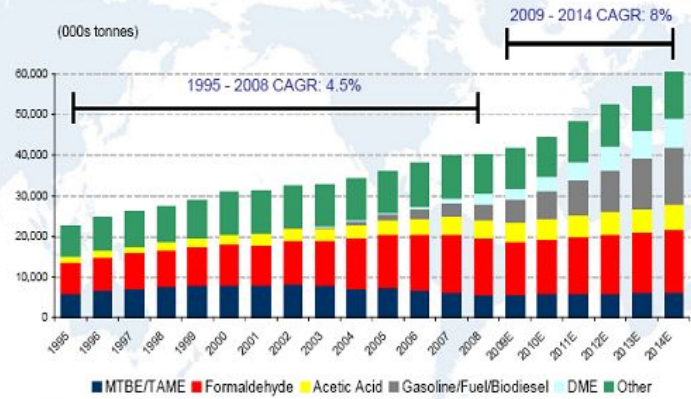
Mapped; 82 TCF



- Methanol demand into energy applications has continued to grow at high rates despite the recent economic slowdown



- Demand into energy applications expected to drive higher industry growth

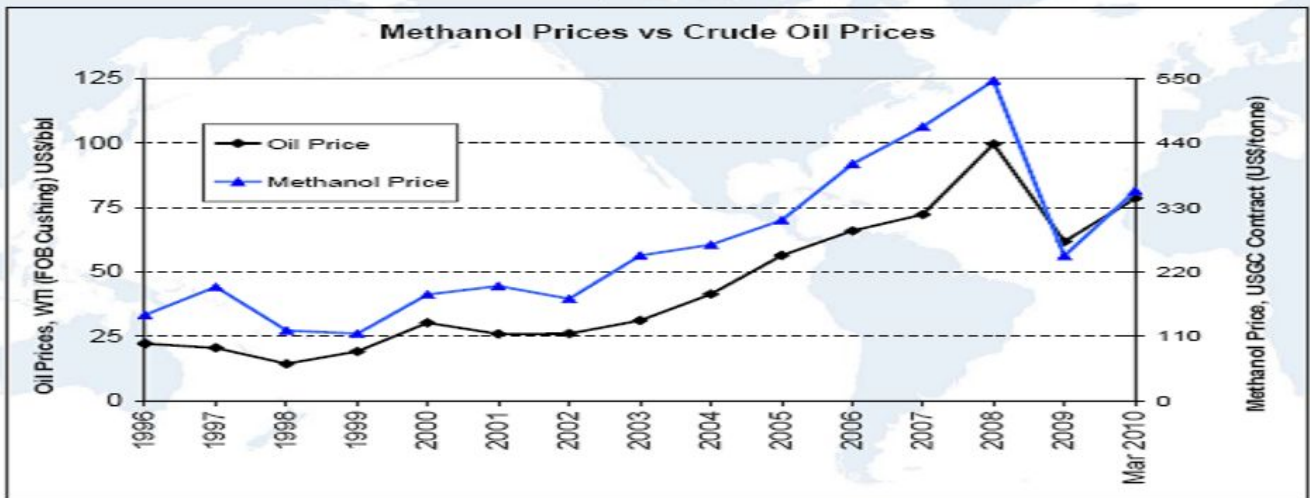


© CMAI, March 2010

Source: Chemical Market Associates Inc. (CMAI) World Methanol Analysis, March 2010

© 2009 METHANOL CONTRACTORS

Excludes 6.2 million tonnes of forecasted methanol demand for methanol to olefins and propylenes (captive demand) in 2010-2014



Source of Data: CMAI

# Australia Gas to Methanol Overview

- **Development using excess CO<sub>2</sub> in process**
  - **Preliminary plans to develop, at least, 2.6 TCF gas to Methanol project**
    - All-in field, pipeline, and Plant cost is \$2.8 billion gross ( \$1.1 billion net)
    - All-in development cost is \$1.64/mcf
    - Methanol pricing of \$325 per ton equals \$10,50/ mcf (after adjusting for Plant shrinkage, using CO<sub>2</sub>)
    - Magellan can participate in field and has options to participate in pipeline and/or plant
  - **Early analysis indicates that project can generate significant EBITDA**
    - Methanol development uses CO<sub>2</sub> in process and has pricing structure correlated to oil
    - \$960 million gross and \$380 million net EBITDA per year
    - Figures apply to 2.6 TCF developed, 4-5.5 TCF remains post-project.



# Evans Shoal Plans

- **Size and Gas quality testing, followed by development**

- **Fiscal 2011 Plan**

- **Receive Co-owner vote to become Operator**
- **\$80 million gross capital expenditure**
  - \$32 million net
  - Two delineation wells with significant testing component
  - Transition seismic work across shallow shoal zone
  - Further geophysical work on correlations with emphasis on NW syncline and southwest nose

- **Fiscal 2012 to 2014 Plan**

- **Target FID (Final Investment Decision) for Q3 2012**
- **Minimum development plan (field only) ; \$560 million gross**
  - Nine total production wells
  - Shallow water, subsea tie backs to jackup production platform
  - Water and CO2 separation facilities as needed (Pipeline to shore requires all water be removed)

- **Production startup, 360 mmcf/d minimum, 2015**

# Legacy Projects

- **Existing onshore licenses and production**

- **Mereenie Oil Field, onshore Australia**

- **\$175 million PV-10 gross, Magellan is 35%**

- Additional 70mmbbl of contingent resource on the western end (not in PV)
- Proven reserves of 150BCF and 2 mmbbls
- Significant Bakken-style drilling technology potential
- Operator, Santos has their 65% for sale
- Could sell given positive developments in Santos sale effort – else, takeover and develop

- **Palm Valley Gas Field, onshore Australia**

- **\$45 million PV-10, Magellan is 52% and operates**

- Proven reserves of 50 BCF
- **New gas sales contract for remaining life of reserves**
- Could sell as part of Santos process

- **United Kingdom drilling development**

- **Offset drilling to existing oil production**

- Two or three near-term well candidates, development located in same basin as Wytch Farm
- Deep Gas potential (farm-out discussions now)
- Available for sale

# Capital Plan

- **Financing Requirements**

## **Fiscal 2011 (30th June, 2010 to 30th June, 2011)**

Preliminary Budget

### **Growth Projects**

#### ***Poplar Dome area, Montana***

Drill up to eight infill oil wells	\$	12.0
Complete Single Well Tracer program on up to four wells	\$	2.0

#### ***Evans Shoal Area, Australia***

Remaining Acquisition Payment	\$	78.7
Drill two delineation wells	\$	23.7
Complete Transition Seismic work on shallow shoal	\$	2.0
Complete Geophysical correlation studies	\$	1.0
Pre FEED work	\$	5.0

### **Legacy Projects**

Drill and complete two onshore UK exploration wells	\$	4.9
Complete Onshore well test / drilling strategy	\$	2.0

Contingency \$ 13.1

**Total** \$ 144.3

Cash on Hand \$ (38.0)

**2011 to be Financed** \$ 106.3

# Comparison; Magellan (MPET) with Interoil (IOC)

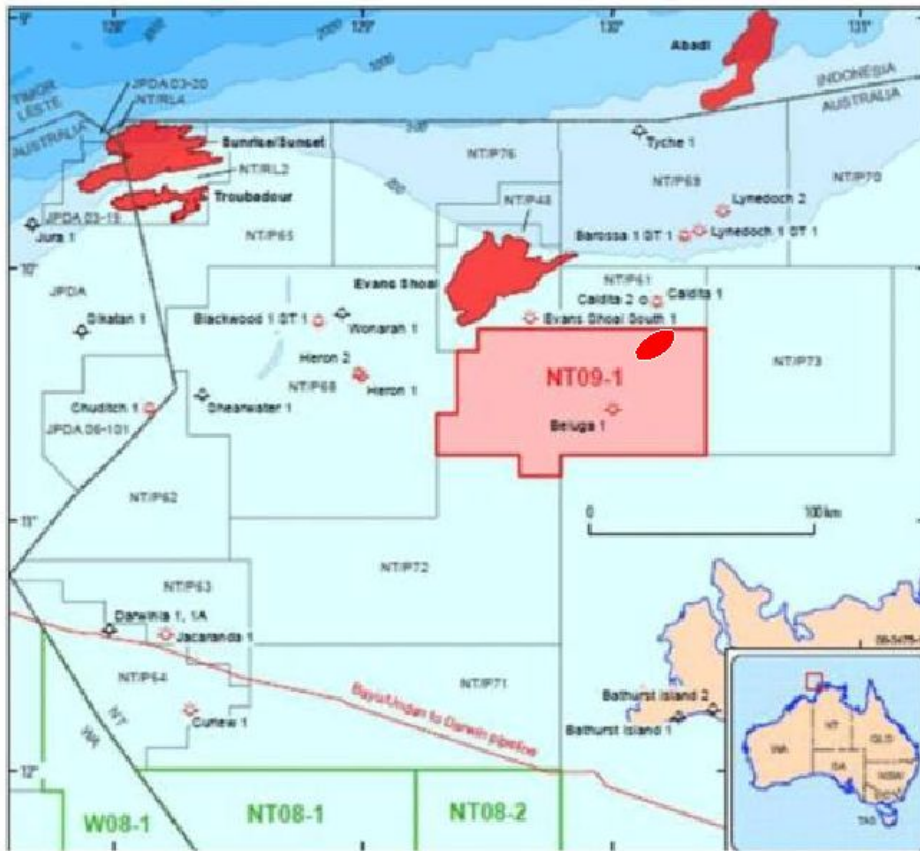
✓ **MPET is significantly undervalued**

## Comparison of Interoil and Magellan

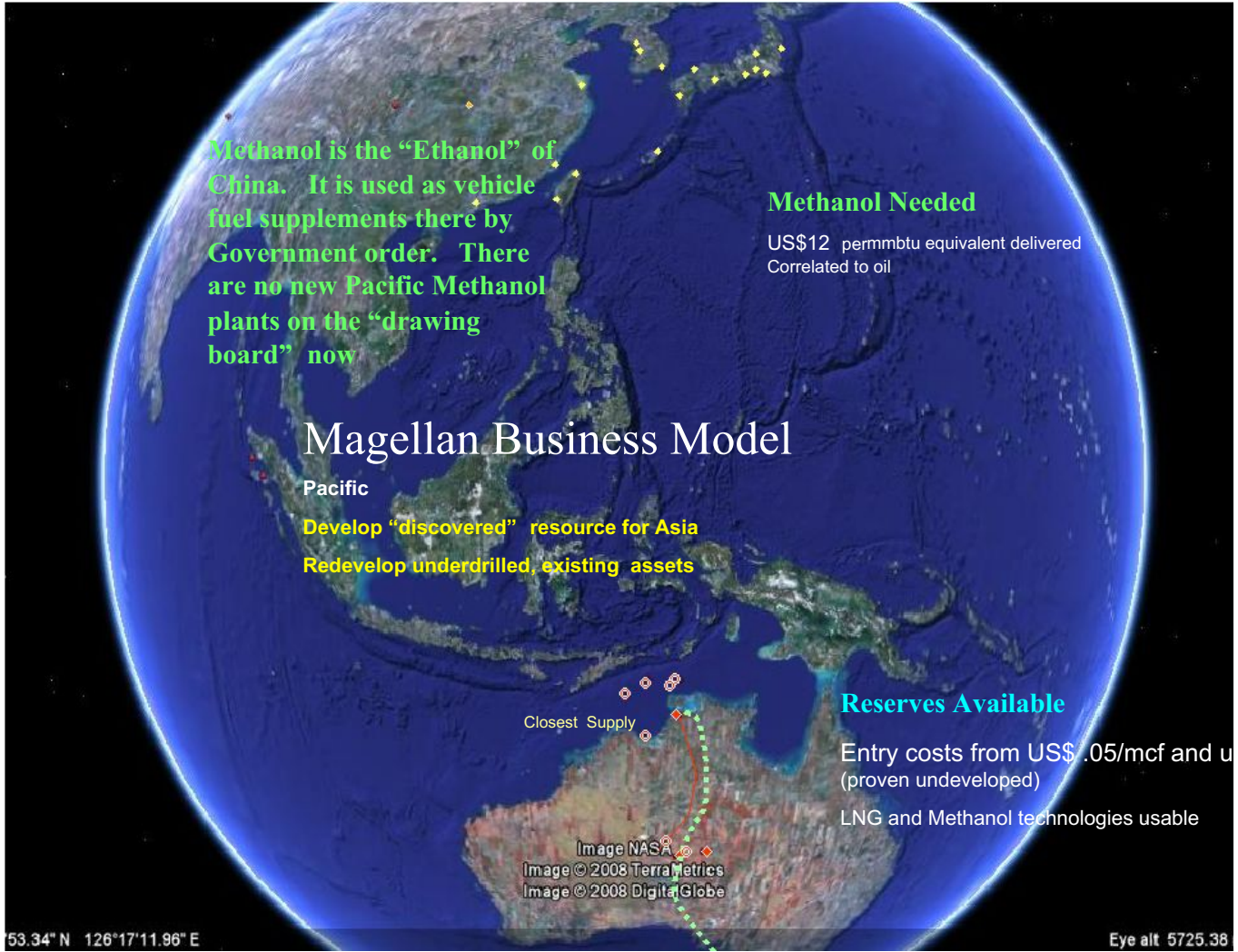
<u>Company Variables</u>	<u>Interoil - IOC</u>	<u>Magellan - MPET</u>	
<i>Shares Outstanding</i>	44.85	51.90	
<i>Share Price</i>	\$ 68.00	\$ 2.16	
<i>Market Capitalization</i>	\$ 3,049.8	\$ 112.1	
<i>Cash</i>	75.80	38.00	
<i>Debt</i>	52.60	0.50	
<i>Value of Refinery &amp; Proven Reserves</i>	365.00	97.38	Mereenie/PV only
<i>Remaining Cost of Evans Shoal Acquisition</i>		78.66	
<i>EV of Resources</i>	2,661.60	55.88	
<i>Identified Net Resources (mmboe)</i>	900	450	net of CO2
<i>Identified Net Resources - to be developed by 2014</i>	457	220	
<i>Location</i>	Papua NG	Montana & Australia	
<i>Commercialization</i>	LNG & NGL	Methanol & CO2 flood	
<i>EV/ Resource BOE</i>	\$ 2.96	\$ 0.12	
<i>EV/ Resources to be Developed</i>	\$ 5.82	\$ 0.25	

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## **Additional Documents / Data**



- |  |   |
|--|---|
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #f08080; border: 1px solid black;"></span> 2000 Offshore Petroleum Acreage Release Area | Gas pipeline                                |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #90ee90; border: 1px solid black;"></span> 2008 Offshore Petroleum Acreage Release Area | Scheduled area boundary (OPB/CA 2008)       |
| <span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black;"></span> Existing petroleum title  | Bathymetry contour (depth in metres)        |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #ff0000;"></span> Gas field   | Petroleum exploration well - not classified |
|  | Petroleum exploration well - Dry hole       |
|  | Petroleum exploration well - Gas discovery  |
|  | Petroleum exploration well - Gas show       |



Methanol is the “Ethanol” of China. It is used as vehicle fuel supplements there by Government order. There are no new Pacific Methanol plants on the “drawing board” now

**Methanol Needed**

US\$12 permmbtu equivalent delivered  
Correlated to oil

**Magellan Business Model**

Pacific

Develop “discovered” resource for Asia

Redevelop underdrilled existing assets

**Reserves Available**

Entry costs from US\$ .05/mcf and up  
(proven undeveloped)

LNG and Methanol technologies usable

Closest Supply

Image NASA  
Image © 2008 Terra Metrics  
Image © 2008 DigitalGlobe

63.34° N 126°17'11.96° E

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