

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q/A  
(Amendment No. 1)**

(MARK ONE)

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

For the quarterly period ended September 30, 2012

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

For the transition period from   to  
Commission File Number 001-5507



**MAGELLAN PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**06-0842255**

(I.R.S. Employer  
Identification No.)

**1775 Sherman Street, Suite 1950, Denver, CO**

(Address of principal executive offices)

**80203**

(Zip Code)

**(720) 484-2400**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The number of shares outstanding of the issuer's single class of common stock as of November 1, 2012 was 53,885,594.

## EXPLANATORY NOTE

Magellan Petroleum Corporation (the "Company") is filing this Amendment No. 1 on Form 10-Q/A (the "Amendment") to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, originally filed on November 9, 2012 (the "Original Report"), for the sole purpose of filing Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, and 10.6 as set forth in the list of exhibits in Part II, Item 6 of the Original Report that were inadvertently not filed with the Original Report due to a software control check application error. Such exhibits are filed with this Amendment, and, pursuant to Rule 12b-15 under the U.S. Securities Exchange Act of 1934, as amended, the complete text of Item 6, as amended, is included in this Amendment and new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are also filed as exhibits to this Amendment. No other changes have been made to the Original Report, and, other than to include the exhibits filed with this Amendment, this Amendment does not modify or update the disclosures in the Original Report to reflect events occurring after the filing of the Original Report.

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**ITEM 6 EXHIBITS**

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- 3.1 Restated Certificate of Incorporation as filed on May 4, 1987 with the State of Delaware, as amended by an Amendment of Article Twelfth as filed on February 12, 1988 with the State of Delaware (filed as Exhibit 4.B. to the registrant's Registration Statement on Form S-8 filed on January 14, 1999 (Registration No. 333-70567) and incorporated herein by reference).
- 3.2 Certificate of Amendment of Restated Certificate of Incorporation as filed on December 26, 2000 with the State of Delaware (filed as Exhibit 3(a) to the registrant's Quarterly Report on Form 10-Q filed on February 13, 2001 and incorporated herein by reference).
- 3.3 Certificate of Amendment of Restated Certificate of Incorporation related to Articles Twelfth and Fourteenth as filed on October 15, 2009 with the State of Delaware (filed as Exhibit 3.3 to the registrant's Quarterly Report on Form 10-Q filed on February 16, 2010 and incorporated herein by reference).
- 3.4 Certificate of Amendment of Restated Certificate of Incorporation related to Article Thirteenth as filed on October 15, 2009 with the State of Delaware (filed as Exhibit 3.4 to the registrant's Quarterly Report on Form 10-Q filed on February 16, 2010 and incorporated herein by reference).
- 3.5 Certificate of Amendment of Restated Certificate of Incorporation related to Article Fourth as filed on December 10, 2010 with the State of Delaware (filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on December 13, 2010 and incorporated herein by reference).
- 3.6 By-Laws, as amended on March 10, 2010 (filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on March 15, 2010 and incorporated herein by reference).
- 10.1 \*+ Employment Agreement dated August 28, 2012 between Magellan Petroleum Corporation and C. Mark Brannum.
- 10.2 \*+ Nonqualified Stock Option Award and Subscription Agreement dated August 28, 2012, between Magellan Petroleum Corporation and C. Mark Brannum.
- 10.3 \*+ Restricted Stock Award and Subscription Agreement dated August 28, 2012, between Magellan Petroleum Corporation and C. Mark Brannum.
- 10.4 \*+ Indemnification Agreement dated September 5, 2012, between Magellan Petroleum Corporation and C. Mark Brannum.
- 10.5 \*+ Indemnification Agreement dated November 30, 2011, between Magellan Petroleum Corporation and Milam Randolph Pharo.
- 10.6 \*+ Letter Agreement dated September 7, 2012, between Magellan Petroleum Corporation and Nikolay V. Bogachev.
- 10.7 Agreement for 2-D and 3-D Data Acquisition Services dated October 26, 2012, between Magellan Petroleum (Offshore) PTY LTD and Seabird Exploration FZ LLC (filed as Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012 and incorporated herein by reference).
- 31.1 Certification of John Thomas Wilson, President and Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 (filed as Exhibit 31.1 to the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012 and incorporated herein by reference).
- 31.2 Certification of Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 (filed as Exhibit 31.2 to the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012 and incorporated herein by reference).
- 31.3 \* Certification of John Thomas Wilson, President and Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 31.4 \* Certification of Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 32.1 Certification of John Thomas Wilson, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished as Exhibit 32.1 to the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012 and incorporated herein by reference).
- 32.2 Certification of Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished as Exhibit 32.2 to the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012 and incorporated herein by reference).
- 101.INS \*\* XBRL Instance Document
- 101.SCH \*\* XBRL Taxonomy Extension Schema Document
- 101.CAL \*\* XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF \*\* Taxonomy Extension Definition Linkbase Document
- 101.LAB \*\* Taxonomy Extension Label Linkbase Document
- 101.PRE \*\* Taxonomy Extension Presentation Linkbase Document
- \* Filed herewith.
- \*\* Previously furnished with the registrant's Quarterly Report on Form 10-Q filed on November 9, 2012. Users of this data submitted electronically are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.
- + Management contract or compensatory plan or arrangement.



**SIGNATURES**

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

**MAGELLAN PETROLEUM CORPORATION**

(Registrant)

By: /s/ J. Thomas Wilson

John Thomas Wilson, President and Chief Executive Officer  
(as Principal Executive Officer)

By: /s/ Antoine J. Lafargue

Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer  
(as Principal Financial and Accounting Officer)

Date: February 15, 2013

## EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 28th day of August, 2012 (the "Effective Date"), by and between MAGELLAN PETROLEUM CORPORATION, a Delaware corporation ("Magellan" or "the Company"), and C. Mark Brannum, an individual residing at 22194 Crestvue Drive, Golden, Colorado 80401 (the "Executive").

### WITNESSETH

WHEREAS, the Company wishes to appoint the Executive as the new Vice President – General Counsel and Secretary of the Company;

WHEREAS, the Executive will be based at the Denver, Colorado office of the Company;

WHEREAS, the Company and the Executive (collectively, the "Parties," and individually, a "Party") intend that the Executive will commence formal employment with the Company on September 5, 2012 (the "Employment Date");

WHEREAS, the Parties desire to enter into this agreement (the "Agreement") setting forth the terms and conditions of the Executive's employment; and

WHEREAS, as contemplated by this Agreement, and pursuant to the terms and conditions set forth herein, the Parties also intend to enter into a Nonqualified Stock Option Award and Subscription Agreement (the "Option Agreement"), a Restricted Stock Award and Subscription Agreement (the "Restricted Stock Agreement", and together with the Option Agreement, the "Equity Agreements"), and an Indemnification Agreement (the "Indemnification Agreement"), each to be dated as of the Employment Date;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. Employment.

1.1 Employment. The Company hereby agrees to employ the Executive as of the Employment Date, and the Executive hereby agrees to accept employment with the Company as of the Employment Date, in the positions described below in Section 2.1 and in accordance with the terms and provisions of this Agreement.

1.2 Term. The term of this Agreement (the "Initial Term") shall be the period commencing on the Effective Date and ending on the earlier of: (a) September 5, 2015, or (b) the date of termination of the Executive's employment pursuant to Sections 6, 7, or 8 below, whichever is applicable. However, if not terminated earlier than September 5, 2015, in accordance with the provisions of Sections 6, 7, or 8 below, the Term of this Agreement shall automatically renew for one or more successive two-year periods (each, a "Renewal Term") unless in each case at least six (6) months prior to the end of the Initial Term or Renewal Term, as the case may be, either the Company or the Executive has provided written notice to the other Party electing to permit this Agreement to terminate on the last day of the Initial Term or

Renewal Term, as the case may be. Upon termination of this Agreement for any reason (including a Party's written notice electing not to renew the Agreement delivered to the other Party under this Section 1.2), the obligations of the Company under this Agreement shall cease and Executive shall forfeit all right to receive any compensation or other benefits under this Agreement, except the amounts payable under Sections 6, 7, or 8 and 12 of this Agreement, as applicable.

2. Duties.

2.1 Offices.

(a) Beginning on the Employment Date, the Company shall employ Executive in such capacities as may be mutually agreeable by the Parties at the Company's Denver, Colorado office. No later than the Employment Date, the Executive shall be appointed to serve as the Company's Vice President – General Counsel and Secretary. The Executive shall report directly to the Company's President and Chief Executive Officer ("CEO") and shall have such duties as are appropriate to his positions with the Company, and will have such authority as required to enable the Executive to perform these duties. Consistent with the foregoing, the Executive shall comply with all reasonable instructions of the CEO and of the Board of Directors of the Company (the "Board").

(b) It is the intention of the Parties that during the Initial Term the Executive will serve in the capacities described in Section 2.1(a) hereof, and will devote substantially all of his business time and attention and best efforts to the affairs of the Company and its subsidiaries and the performance of his duties. Nothing in this Agreement, however, shall prevent the Executive from (i) participating in charitable, civic, educational, professional, community, or industry affairs or, with prior written approval of the Board, serving on the board of directors or advisory boards of other companies; and (ii) managing the Executive's and the Executive's family's personal investments so long as such activities do not materially interfere with the performance of the Executive's duties hereunder or create a potential business conflict or the appearance thereof.

2.2 Office Locations. From and after the Employment Date, the Executive shall be based at the Company's office in Denver, Colorado. During the Term hereof, the Executive shall be available to travel within the United States and internationally at the request of the CEO and/or the Board.

3. Compensation and Benefits.

3.1 Salary; Bonus.

(a) Salary. During the Initial Term, the Company shall pay the Executive an initial annual base salary of Two Hundred Fifty Thousand Dollars (\$250,000). Beginning July 1, 2013, and effective each July 1st thereafter during the Term of this Agreement, the Executive's annual base salary, starting with \$250,000 as of the Employment Date, may be increased by a percentage amount equal to the percentage increase in the Bureau of Labor Statistics' announced Consumer Price Index for All Urban Consumers, All



Items (the "CPI-U"), unadjusted, for the 12-month period ending June 30th of the calendar year immediately preceding the date on which such salary increase is scheduled to take effect, provided that the Board approves such cost of living adjustment process. In addition, the Company may, in its sole and absolute discretion, increase the Executive's base salary at other times in light of the Executive's performance, inflation, changes in the cost of living, and other factors deemed relevant by the Company. The Executive's base salary shall be paid in U.S. dollars ("\$\$") by means of wire transfers to an account designated by the Executive, in accordance with the standard pay practices for other members of senior management of the Company, but not less frequently than monthly.

(b) Bonus. During the Term of this Agreement, the Executive will be eligible to receive such bonus awards, if any, as shall be determined by the Board in its sole discretion, after receipt of a recommendation by the Compensation, Nominating and Governance Committee of the Board (the "CNG Committee").

### 3.2 Equity Awards.

(a) As of the Employment Date, the Executive will be granted by the Board nonqualified stock options vesting in three tranches (together, the "Stock Options") which entitle the Executive to purchase an aggregate of eight hundred thousand (800,000) shares of common stock of the Company, par value \$.01 per share (the "Common Stock"). The exercise price per share for such Stock Options shall be the closing price for the Common Stock as reported on the NASDAQ Capital Market on the Employment Date. Provided the Executive remains an employee of the Company on the following respective vesting dates, and subject to the other provisions of this Agreement, the vesting for such Stock Options shall be one-third (266,666 option shares) on the first anniversary of the Employment Date, one-third (266,667 option shares) on the second anniversary of the Employment Date, and one-third (266,667 option shares) on the third anniversary of the Employment Date. Such Stock Options shall have a ten (10) year term, and any portion of the Stock Options which is unexercised but vested shall not terminate because of the termination of the Executive's employment with the Company, unless such termination is by the Company for Cause, as defined in Section 6.3 hereof. After the termination of employment of the Executive other than by the Company for Cause, the Executive may exercise the vested portion of such Stock Options (unless previously terminated or exercised) for a period until the earlier of: (i) September 5, 2022, or (ii) the expiration of twelve (12) months from the last business day of the calendar month in which the termination of employment of the Executive occurred. Notwithstanding the foregoing, in the event of termination of the employment of the Executive due to death or disability, the vested portion of such Stock Options (unless previously terminated or exercised) may be exercised within the one (1) year period following the Executive's death or disability, but in no event later than September 5, 2022. In the event of (i) any "change of control" event with respect to the Company (with such term to be defined in a manner consistent with the definition of such term under the Company's 1998 Stock Incentive Plan, as amended to date (the "Stock Incentive Plan")), (ii) the Company's termination of the Executive's employment with the Company prior to the third anniversary of the Employment Date without Cause (as

defined in Section 6.3), or (iii) the Executive's termination of the Executive's employment with the Company prior to the third anniversary of the Employment Date for Good Reason (as defined in Section 7), any unvested portion of such Stock Options immediately prior to such event shall upon such event become vested in full. Unexercised Stock Options shall not entitle the Executive to any dividend participation with respect to the option shares that have not then been acquired.

(b) As of the Employment Date, the Executive will be granted by the Board a restricted stock award, which award will, subject to the vesting, forfeiture, and other terms and conditions thereof, provide that the Executive shall receive, as of the Employment Date, a total of fifty thousand (50,000) restricted shares of Common Stock (the "Restricted Stock," which together with the Stock Options are hereinafter collectively referred to as the "Equity Awards"). Provided the Executive's employment with the Company has not been terminated by the Company for Cause (as defined in Section 6.3) or by the Executive without Good Reason (as defined in Section 7) on or before the following respective vesting dates, the vesting for such shares of Restricted Stock shall be twenty-five thousand (25,000) shares of Restricted Stock on the date which is six months after the Employment Date, and twenty-five thousand (25,000) shares of Restricted Stock on the first anniversary of the Employment Date, and upon such vesting the respective number of shares of Restricted Stock shall no longer be subject to forfeiture by the Executive to the Company.

(c) The terms and conditions of the Equity Awards shall be substantially similar to the terms and conditions set forth in the forms of Option Agreement and Restricted Stock Agreement attached to this Agreement as Exhibit A and Exhibit B, respectively.

(d) It is understood and agreed by each Party that the Equity Awards will be issued as an inducement award that is to be exempt from the NASDAQ stockholder approval requirements, and not as an award or awards authorized by the stockholders pursuant to the Stock Incentive Plan. Both Parties recognize that the Equity Awards and the underlying shares of Common Stock related thereto will be restricted securities under Rule 144 promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), unless the issuance thereof is covered by an effective Securities Act Registration Statement on Form S-8 or other appropriate form. The Company agrees to include, to the extent reasonably practicable, the shares of Common Stock underlying the Equity Awards in any subsequent Form S-8 or other appropriate registration statement the Company files regarding any other shares of Common Stock underlying equity compensation awards for the Company's employees, if the shares underlying the Equity Awards are then considered or would be considered restricted securities under the provisions of Rule 144 and such shares may be included in such registration statement in accordance with SEC rules (without filing a separate resale prospectus).

(e) Future awards to the Executive under the Stock Incentive Plan (or any successor compensation plan of the Company), if any, shall only be made by the Board in its sole discretion, after receipt of a recommendation by the CNG Committee.

3.3 Benefit Programs. The Executive shall be entitled to participate on substantially the same terms as other members of senior management of the Company in all employee benefit plans and programs of the Company (other than any severance plan, program, or policy), as such plans and programs are made available by the Company, subject to any restrictions or eligibility requirements under such plans and programs, from time to time in effect for the benefit of senior management of the Company, including, but not limited to, retirement plans, profit sharing plans, group life insurance, hospitalization and surgical and major medical and dental coverages, short-term, and long-term disability.

3.4 Vacations and Holidays. During the Term of this Agreement, the Executive shall be entitled to vacation leave of four (4) weeks per year at full pay or such greater vacation benefits as may be provided for by the Company's vacation policies applicable to senior management. The Executive shall also be entitled to such holidays as are established by the Company for all employees.

4. Business Expenses.

(a) The Executive shall be entitled to prompt reimbursement for all reasonable, documented, and necessary expenses incurred by the Executive in performing his services hereunder in accordance with the policies of the Company, including business class accommodations when traveling on international business trips for the Company. The appropriateness and documentation of such expenses shall be in accordance with the Travel and Entertainment Expense Reimbursement Policy of the Company adopted on July 24, 2012.

(b) The Executive shall properly account for all such business expenses described in this Section 4 in accordance with the policies and procedures established by the Company. The Company agrees to reimburse the Executive for such amounts no later than 30 days after the Executive's properly documented request. The payments eligible for reimbursement during the Executive's taxable year may not affect the payments eligible for reimbursement in any other year, and the right to reimbursement is not subject to liquidation or exchange for another benefit.

5. Separation from Service. No termination of employment shall be deemed to have occurred under this Agreement unless there has been a "Separation from Service" as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the term "termination of employment" and the like in this Agreement shall be construed to mean "Separation from Service" as so defined.

6. Termination of Employment by the Company.

6.1 Termination By the Company Other Than For Non-Renewal, Disability, or Cause.

(a) The Company may terminate the Executive's employment at any time for any reason other than (i) pursuant to a written notice by the Company of its intention to permit the Agreement to terminate at the end of the Initial Term or a Renewal Term, as the case may be; (ii) by reason of the Executive's Disability (as defined in Section 6.2); or (iii) for Cause (as defined in Section 6.3), by giving the Executive a written notice of

termination at least thirty (30) days before the date of termination (or such lesser notice period as the Executive may agree to).

(b) In the event of any termination of employment by the Company described in Section 6.1(a) above, the Executive shall be entitled to receive the following benefits:

(i) Salary. His base salary pursuant to Section 3.1 through the date of such termination of employment, plus his base salary for the period of any vacation time earned but not taken for the year of termination of employment;

(ii) Other Benefits. Any other compensation and benefits to the extent actually earned by the Executive under any other benefit plan or program of the Company as of the date of such termination of employment, with such compensation and benefits to be paid at the normal time for payment of such compensation and benefits to the extent not previously paid;

(iii) Reimbursements. Any reimbursement amounts owing under this Agreement; and

(iv) Severance. A severance amount equal to the amount of base salary that the Executive would have received if he remained employed for the balance of the Initial Term or the Renewal Term, as the case may be (the "Severance Benefit"), based upon his then-current base salary without further increase. However, in no event shall the Severance Benefit be less than the amount of base salary that the Executive would have received if he remained employed for twelve (12) months, based upon his then-current salary without further increase. The amount of the severance benefit as so determined by this Section 6.1(b)(iv) shall be divided into twelve (12) equal installments. Payment of such installments shall be made to the Executive as follows:

(A) payment shall commence on the first (1st) date of the seventh (7th) month following the Executive's Separation from Service. The amount of the first payment shall equal the first seven (7) such installments.

(B) subsequent payments shall be made on the first day of each succeeding month for the balance of the twelve (12) month period.

(v) Medical Coverage. If the Executive elects to continue insurance coverage under the Company's health insurance plans pursuant to COBRA, then for the period beginning on the date of the Executive's termination of employment and ending on the earlier of (i) the date which is 18 months after the date of such termination of employment, or (ii) the date the Executive becomes eligible for health insurance benefits under the group health plan of another employer, the Company shall pay, or reimburse the Executive in an amount equal to, the same dollar amount of the Executive's premium for COBRA coverage for the Executive and, if applicable, his spouse and dependent children, as the Company paid prior to the Executive's termination for group health coverage

under the Company's health insurance plans for actively employed members of management generally. The Executive shall notify the Company promptly if he, while eligible for benefits under this subsection 6.1(b)(v), becomes eligible to receive health insurance benefits from another employer.

(c) Non-Renewals. Notwithstanding anything else in this Agreement to the contrary, if either Party gives written notice under Section 1.2 hereof of such Party's intention to permit the Agreement to terminate at the end of the Initial Term or a Renewal Term, as the case may be, then the Executive shall not be entitled to any of the benefits set forth in Sections 6.1(b)(iv) or 6.1(b)(v) hereof.

## 6.2 Termination Due to Disability.

(a) If the Executive incurs a Disability, as defined in Section 6.2(b) below, the Company may terminate the Executive's employment by giving the Executive written notice of termination at least thirty (30) days before the date of such termination (or such lesser notice period as the Executive may agree to). In the event of such termination of the Executive's employment because of Disability, the Executive shall be entitled to receive (i) his base salary pursuant to Section 3.1 through the date of such termination of employment, plus his base salary for the period of any vacation time earned but not taken for the year of termination of employment; (ii) any other compensation and benefits to the extent actually earned by the Executive under any other benefit plan or program of the Company as of the date of such termination of employment, with such compensation and benefits to be paid at the normal time for payment of such compensation and benefits to the extent not previously paid; and (iii) any reimbursement amounts owing under this Agreement.

(b) For purposes of this Agreement, the Executive shall be considered to have incurred a "Disability" if and only if the Executive shall be unable to perform the duties of his employment with the Company for an aggregate period of more than 90 days in a consecutive period of 52 weeks as a result of incapacity due to mental or physical illness or impairment (other than as a result of addiction to alcohol or any drug) as determined by a physician selected by the Company or its insurers and acceptable to the Executive or his legal representative.

## 6.3 Termination for Cause.

(a) The Company may terminate the Executive's employment immediately for Cause for any of the following reasons: (i) an act or acts of dishonesty or fraud by the Executive relating to the performance of his services to the Company; (ii) a breach by the Executive of his duties or responsibilities under this Agreement resulting in significant demonstrable injury to the Company or any of its subsidiaries; (iii) the Executive's conviction of a felony or any crime involving moral turpitude; (iv) the Executive's material failure (for reasons other than death or Disability) to perform his duties under this Agreement or insubordination (defined as refusal to execute or carry out lawful directions from the Board or its duly appointed designees) where the Executive has been given written notice of the acts or omissions constituting such failure or insubordination

and the Executive has failed to cure such conduct, where susceptible to cure, within ten (10) days following such notice; or (v) a breach by the Executive of any provision of any material policy of the Company or any of his obligations under Section 13 of this Agreement.

(b) The Company shall exercise its right to terminate the Executive's employment for Cause by giving the Executive written notice of termination specifying in reasonable detail the circumstances constituting such Cause. In the event of such termination of the Executive's employment for Cause, the Executive shall be entitled to receive only (i) his base salary pursuant to Section 3.1 earned through the date of such termination of employment plus his base salary for the period of any vacation time earned but not taken for the year of termination of employment, with such base salary to be paid in a lump sum no later than the next payroll date following the Executive's date of termination, to the extent not previously paid; (ii) any other compensation and benefits to the extent actually earned by the Executive under any other benefit plan or program of the Company as of the date of such termination of employment, with such compensation and benefits to be paid at the normal time for payment of such compensation and benefits, to the extent not previously paid; and (iii) any reimbursement amounts owing under this Agreement.

7. Termination of Employment by the Executive.

(a) Termination for Good Reason.

(i) The Executive may terminate his employment for Good Reason by giving the Company a written notice of termination at least thirty (30) days before the date of such termination (or such lesser notice period as the Company may agree to) specifying in reasonable detail the circumstances constituting such Good Reason. In the event of the Executive's termination of his employment for Good Reason, the Executive shall be entitled to receive a severance benefit equal to one year's base salary, based upon his then-current base salary without further increase. The severance payment under this Section shall be paid to the Executive at the same time and in the same manner as set forth in Sections 6.1(b)(iv)(A) and (B) hereof.

(ii) For purposes of this Agreement, "Good Reason" shall mean only, without the Executive's written consent, (A) a material negative change in the scope of the authority, functions, duties, or responsibilities of Executive's employment from that which is contemplated by this Agreement; provided that a change in scope solely as a result of the Company no longer being a public company or becoming a subsidiary of another entity shall not constitute Good Reason; (B) the Company materially changing the geographic location in which the Executive must perform services from the Denver, Colorado metropolitan area; or (C) any material breach by the Company of any provision of this Agreement without the Executive having committed any material breach of the Executive's obligations hereunder (including Section 13 hereof), in each case of (A), (B), or (C), which breach is not cured by the Company within thirty (30) days

following written notice thereof to the Company of such breach. If an event giving grounds for termination of employment for Good Reason occurs, and the Executive fails to give notice of termination within sixty (60) days after the occurrence of such event, the Executive shall be deemed to have waived his right to terminate employment for Good Reason with respect to such event. In addition, prospective changes to employee benefits for future employment made on an across-the-board basis to all similarly situated executives of the Company shall not be considered Good Reason.

(b) Termination Without Good Reason. In addition to a non-renewal of the Initial Term or a Renewal Term by the Executive under Section 1.2 hereof, the Executive may terminate his employment at any time without Good Reason, by giving the Company a written notice of termination to that effect at least thirty (30) days before the date of termination (or such lesser notice period as the Company may agree to); provided, however, that the Company, following receipt of such notice from the Executive, may elect to have the Executive's employment terminate immediately following its receipt of such notice by paying to the Executive an amount equal to one month of the Executive's then-current base salary. In the event of the Executive's termination of his employment pursuant to this Section 7(b), and in addition to the amount set forth in the preceding sentence, if applicable, the Executive shall be entitled to receive only: (i) his base salary pursuant to Section 3.1 earned through the date of such termination of employment plus his base salary for the period of vacation time earned but not taken for the year of termination of employment, with such base salary to be paid in a lump sum no later than the next payroll date following the Executive's date of termination, to the extent not previously paid; (ii) any other compensation and benefits to the extent actually earned by the Executive under any other benefit plan or program of the Company as of the date of such termination of employment, with such compensation and benefits to be paid at the normal time for payment of such compensation and benefits, to the extent not previously paid; and (iii) any reimbursement amounts owing under this Agreement.

8. Termination of Employment By Death.

(a) In the event of the death of the Executive during the course of his employment hereunder, the Executive's estate (or other person or entity having such entitlement pursuant to the terms of the applicable plan or program) shall be entitled to receive: (i) the Executive's base salary pursuant to Section 3.1 hereof earned through the date of the Executive's death plus the Executive's base salary for the period of vacation time earned but not taken for the year of the Executive's death, with such base salary to be paid in a lump sum no later than the next payroll date following the Executive's date of death, to the extent not previously paid; (ii) any other compensation and benefits to the extent actually earned by the Executive under any other benefit plan or program of the Company as of the date of death, with such compensation and benefits to be paid at the normal time for payment of such compensation and benefits, to the extent not previously paid; and (iii) any reimbursement amounts owing under this Agreement.

(b) In addition, in the event of such death, the Executive's beneficiaries shall receive any death benefits owed to them under the Company's employee benefit plans.

9. Conditions to Payment of Severance Benefits. The Company's obligation to pay to the Executive the severance benefits described in this Agreement shall be subject to (i) the Executive's compliance with the provisions of Section 13 hereof; (ii) delivery to the Company of the Executive's resignations from all officer, directorships, and fiduciary positions, if any, with the Company and its subsidiaries and employee benefit plans; and (iii) the Executive's execution and delivery to the Company, without revocation, of a valid Termination, Voluntary Release, and Waiver of Rights Agreement, in substantially the form attached to this Agreement as Exhibit C (the "Release"). By the effective date of the Executive's termination of employment, i.e., within thirty (30) days of receipt of written notice of termination pursuant to this Agreement, the documentation described in (ii) above and the Release described in (iii) above must have been executed and delivered to the Company, and the revocation period relating to the Release must have expired. If all of such conditions have not been met by the time payment is to begin, the severance benefits otherwise payable in accordance with Section 6.1(b)(iv) and otherwise under this Agreement shall be forfeited and shall not be reinstated for any reason.

10. Golden Parachute Excise Tax.

(a) In the event that any payment or benefit received or to be received by the Executive pursuant to this Agreement or any other plan, program, or arrangement of the Company or any of its affiliates would constitute an "excess parachute payment" within the meaning of Section 280G of the Code ("Excess Parachute Payment"), then the severance payment under this Agreement shall be reduced (by the minimum possible amounts) until no amount payable to the Executive under this Agreement constitutes an Excess Parachute Payment; provided, however, that no such reduction shall be made if the net after-tax payment (after taking into account Federal, state, local, or other income and excise taxes) to which the Executive would otherwise be entitled without such reduction would be greater than the net after-tax payment (after taking into account Federal, state, local, or other income and excise taxes) to the Executive resulting from the receipt of such payments with such reduction.

(b) All determinations required to be made under this Section 10 shall, if not otherwise voluntarily agreed to by the Parties, be made by a nationally or regionally recognized independent accounting firm mutually agreeable to the Company and the Executive (the "Accounting Firm") which shall provide detailed supporting calculations to the Company and the Executive as requested by the Company or the Executive. All fees and expenses of the Accounting Firm shall be borne jointly by the Company and the Executive. All determinations made by the Accounting Firm pursuant to this Section 10 shall be final and binding upon the Company and the Executive.

11. Entitlement to Other Benefits, Plans, or Awards. Except as otherwise provided in this Agreement, this Agreement shall not be construed as limiting in any way any rights or benefits that the Executive or his spouse, dependents, or beneficiaries may have pursuant to any other employee benefit plan or program of the Company. All benefits, including, without limitation, stock options, stock appreciation rights, restricted stock units, and other awards under the Company's benefits, plans, or programs, shall be subject to the terms and conditions of the plan or arrangement under which such benefits accrue, are granted, or are awarded. In addition, nothing herein shall be construed to prevent the Company from amending, altering, eliminating,



or reducing any benefits, plans, or programs so long as the Executive continues to receive compensation and benefits consistent with those described in Section 3 hereof.

12. Officer Protections. As required by the Company's Restated Certificate of Incorporation, upon the Employment Date the Company shall enter into its customary Indemnification Agreement with the Executive, under which the Company shall agree to indemnify the Executive to the fullest extent allowed under Delaware law for any claims related to the Executive's service as an officer of the Company and to provide coverage for the Executive under the Company's directors' and officers' liability insurance policy.

13. Executive's Obligations.

(a) Confidentiality. The Executive agrees that he shall not, directly or indirectly, use, make available, sell, disclose, or otherwise communicate to any person, other than in the course of the Executive's employment and for the benefit of the Company, either during the period of the Executive's employment or at any time thereafter, any information, knowledge, or data relating to the Company or any of its subsidiaries, affiliated companies, or businesses that is nonpublic, proprietary, or confidential and that was obtained by the Executive during the Executive's employment by the Company. The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation, or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and reasonably cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). Notwithstanding clauses (i) and (ii) of the preceding sentence, the Executive's obligation to maintain such disclosed information in confidence shall not terminate where only portions of the information are in the public domain. The Executive hereby agrees that he will not breach or violate any confidentiality or trade secret agreement with any former employer or other third party, through his employment with the Company.

(b) Non-Solicitation. In the event that the Executive receives payment of severance benefits under this Agreement, the Executive agrees that, for the one (1) year period following the date of termination of his employment with the Company, the Executive will not, directly or indirectly, individually or on behalf of any other person, firm, corporation, or other entity, knowingly solicit, aid, or induce any managerial level employee of the Company or any of its subsidiaries or affiliates to leave such employment in order to accept employment with or render services to or with any other person, firm, corporation, or other entity unaffiliated with the Company, or knowingly take any action to materially assist or aid any other person, firm, corporation, or other entity in identifying or hiring any such employee (provided, that the foregoing shall not be violated by general advertising not targeted at Company employees nor by serving as a reference for an employee with regard to an entity with which the Executive is not affiliated). For the avoidance of doubt, if a managerial level employee on his or her own initiative contacts the Executive for the primary purpose of securing alternative

employment, any action taken by the Executive thereafter shall not be deemed a breach of this Section 13(b).

(c) Non-Disparagement. Each of the Executive and the Company (for purposes of this Section 13(c), “the Company” shall mean only (i) the Company by press release or otherwise and (ii) the executive officers and directors thereof and not any other employees) agrees not to make any public statements that disparage the other Party, or, in the case of the Company, its subsidiaries, affiliates, officers, directors, or business partners. Notwithstanding the foregoing, statements made in the course of sworn testimony in agency, administrative, judicial, or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) or otherwise as required by law shall not be subject to this Section 13(c).

(d) Return of Company Property and Records. The Executive agrees that upon termination of the Executive’s employment, for any reason whatsoever, the Executive will surrender to the Company in good condition (reasonable wear and tear excepted) all property and equipment belonging to the Company and all records kept by the Executive containing the names, addresses, or any other information with regard to customers or customer contacts of the Company, or concerning any proprietary or confidential information of the Company, or any operational, financial, or other documents given to the Executive during the Executive’s employment with the Company.

(e) Cooperation. The Executive agrees that, following termination of the Executive’s employment for any reason, the Executive shall upon reasonable advance notice, and to the extent it does not interfere with previously scheduled travel plans and does not unreasonably interfere with other business activities or employment obligations, assist and cooperate with the Company with regard to any matter or project in which the Executive was involved during the Executive’s employment, including any litigation. The Company shall compensate the Executive for any lost wages (or, if the Executive is not then employed, provide reasonable compensation as determined by the CNG Committee) and reimburse the Executive’s reasonable expenses associated with such cooperation and assistance. All such compensation shall be paid monthly as the services are being performed by the Executive, and any such reimbursement of expenses shall be subject to Section 4 hereof and shall be made within thirty (30) days after the Executive has provided the Company reasonable documentation for the expenses incurred.

(f) Assignment of Inventions. The Executive shall promptly communicate and disclose in writing to the Company all inventions and developments, including software, whether patentable or not, as well as patents and patent applications (hereinafter collectively called “Inventions”), made, conceived, developed, or purchased by the Executive, or under which the Executive acquires the right to grant licenses or to become licensed, alone or jointly with others, which have arisen or which arise out of the Executive’s employment with the Company, or relate to any matters directly pertaining to, the business of the Company or any of its subsidiaries; provided, however, that the Executive shall have no obligation to disclose, and shall retain all rights to, Inventions made, conceived, developed, or purchased by him prior to his employment with the Company. Included herein as if developed during the employment period is any

specialized equipment and software developed for use in the business of the Company. All of the Executive's right, title, and interest in, to, and under all such Inventions, licenses, and right to grant licenses subject hereto shall be the sole property of the Company. As to all such Inventions, the Executive will, upon written request of the Company, execute all documents which the Company deems necessary or proper to enable it to establish title to such Inventions or other rights, and to enable it to file and prosecute applications for letters patent of the United States and any foreign country, and do all things (including the giving of evidence in suits and other proceedings) which the Company reasonably deems necessary or proper to obtain, maintain, or assert patents for any and all such Inventions or to assert its rights in any Inventions not patented.

(g) Equitable Relief; Reformation; Survival. Each Party acknowledges and agrees that the other Party's remedies at law for a breach or threatened breach of any of the provisions of this Section 13 would be inadequate and, in recognition of this fact, the Parties agree that, in the event of such a breach or threatened breach, in addition to any remedies at law, the other Party, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction, or any other equitable remedy that may then be available. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 13 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the Parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state. The obligations contained in this Section 13 shall survive the termination or expiration of the Executive's employment with the Company and shall be fully enforceable thereafter.

14. Alternative Dispute Resolution. Any controversy, dispute, or questions arising out of, in connection with, or in relation to this Agreement or its interpretation, performance, nonperformance, or any breach thereof shall be resolved through mediation, if possible. In the event mediation fails to resolve the dispute within 60 days after a mediator has been agreed upon or such other longer period as may be agreed to by the Parties, or if the Parties fail to agree on a mediator within 30 days of either Party's request for mediation, such controversy, dispute, or question shall be settled by arbitration in accordance with the Center for Public Resources Rules for Non Administered Arbitration of Business Disputes, by a sole arbitrator. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sec. 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Denver, Colorado.

15. General Provisions.

15.1 No Duty to Seek Employment. The Executive shall not be under any duty or obligation to seek or accept other employment following termination of employment with the Company, and no amount, payment, or benefits due to the Executive hereunder shall be reduced or suspended if the Executive accepts subsequent employment, except as expressly set forth herein.

15.2 Deductions and Withholding. All amounts payable or which become payable under any provision of this Agreement shall be subject to any deductions authorized by the Executive and any deductions and withholdings required by applicable laws.

15.3 Notices. All notices, demands, requests, consents, approvals, or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be delivered personally, sent by facsimile transmission with a copy deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, or sent by overnight delivery service or express mail addressed as follows:

To the Company:     Magellan Petroleum Corporation  
                          1775 Sherman Street, Suite 1950  
                          Denver, Colorado 80203  
                          Attn: President and CEO  
                          Facsimile: (720) 570-3859

To the Executive:    C. Mark Brannum  
                          22194 Crestvue Drive  
                          Golden, Colorado 80401

or such other address as such Party shall have specified most recently by written Notice pursuant to this Agreement. Notice delivered or mailed as provided herein shall be deemed given when so delivered personally or sent by facsimile transmission, or, if sent by overnight delivery service or express mail, on the day of delivery.

15.4 Covenant to Notify Management. The Executive shall abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies, and procedures, including its Code of Conduct and Insider Trading Policy, each revised as of July 24, 2012, and any subsequent amendments thereof. The Executive agrees to comply in full with all applicable governmental laws and regulations as well as applicable ethics codes. In the event that the Executive becomes aware of or reasonably suspects the Company, or any of its officers or agents, of violating any such applicable laws, rules, regulations, ethics codes, policies, or procedures, the Executive agrees to promptly bring all such actual or suspected violations to the attention of the other members of the Company's senior management or the Board, so that the matter may be properly investigated and appropriate action taken. The Executive understands that the Executive is precluded by the immediately foregoing sentence, unless otherwise permitted by applicable law, rule, or regulation, from filing a complaint or report not involving or related to the Executive's individual rights with any governmental agency or court having jurisdiction over any such wrongful conduct unless the Executive has first notified the Company of the matter and allowed a reasonable time for the Company to investigate the matter and take any necessary and appropriate corrective or remedial actions.

15.5 Amendments and Waivers. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either Party hereto at any time of any breach by the other Party hereto of, or compliance with, any condition or provision of this

Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

15.6 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by (a) the Company's successors and assigns, and (b) the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive shall die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee, or, if there is no such designee, to the Executive's estate.

15.7 Successors. The Company shall require any successors (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform.

15.8 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any Party without the prior written consent of the other Party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect. Notwithstanding the foregoing provisions of this Section 15.8, benefits payable pursuant to this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Executive, and any attempt to alienate, transfer, assign, or attach such benefits shall be void. Notwithstanding the foregoing provisions of this Section 15.8, the Company may, without the Executive's consent, assign or delegate the Company's rights, duties, and obligations hereunder to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination, or by acquisition of all or substantially all of the assets of the Company, provided that the provisions of Section 15.7 are complied with.

15.9 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without regard to the conflicts of law provisions thereof.

15.10 Statute of Limitations. The Executive and the Company hereby agree that there shall be a three-year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than three years subsequent to the Executive's last day of employment with the Company, such claim shall be precluded by this provision, regardless of whether or not such claim has accrued at that time.

15.11 Right to Injunctive and Equitable Relief. The Executive's obligations under Section 13 of this Agreement are of a special and unique character, which gives them a peculiar value, and, as reflected in the provisions of Section 13(g) of this Agreement, the Company cannot be reasonably or adequately compensated for damages in an action at law in the event the Executive breaches such obligations. Therefore, as set forth in Section 13(g) of this Agreement, the Executive expressly agrees that the Company shall be entitled to injunctive and other

equitable relief without bond or other security in the event of such breach, in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of the Executive and the rights and remedies of the Company under Section 13 and this Section 15.11 are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies as created by applicable law. The Executive agrees that the terms of this Section 15.11 shall survive the term of this Agreement and the termination of the Executive's employment.

15.12 Severability or Partial Invalidity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall otherwise remain in full force and effect.

15.13 Entire Agreement. This Agreement, including the exhibits attached hereto and the Indemnification Agreement referred to in Section 12 hereof, constitutes the entire agreement of the Parties with respect to the subject matter hereof and thereof, and supersedes all prior or contemporaneous written or oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof and thereof. This Agreement, including the exhibits attached hereto and the Indemnification Agreement, is intended by the Parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement, including the exhibits attached hereto and the Indemnification Agreement, constitute the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial, mediation, or arbitration proceeding involving this Agreement.

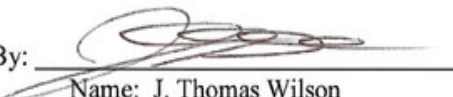
15.14 Code Section 409A. This Agreement is intended to comply in all respects with the provisions of Section 409A of the Code, and the Parties intend that the benefits and payments provided under this Agreement shall in all respects be exempt from, or comply with, the requirements of Section 409A of the Code. Accordingly, the Parties shall interpret and administer this Agreement in a manner consistent with Section 409A of the Code and regulations and other guidance promulgated by the U.S. Internal Revenue Service ("IRS") thereunder. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code.

15.15 Counterparts and Delivery of Signature Pages. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all of which together shall constitute one and the same instrument. Executed signature pages may be delivered by email or fax transmission.

[Signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has hereunto set his hand as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By:   
Name: J. Thomas Wilson  
Title: President and CEO

EXECUTIVE

  
C. Mark Brannum





**THE OPTIONS GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES OF STOCK ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT AS OF THE DATE HEREOF BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER SUCH LAWS COVERING SUCH TRANSFER OR AN EXEMPTION FROM SUCH REGISTRATION WHICH MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY.**

**MAGELLAN PETROLEUM CORPORATION**

**NONQUALIFIED STOCK OPTION AWARD AND SUBSCRIPTION AGREEMENT**

THIS AGREEMENT is made as of the grant date indicated in Section 3 below (the "Grant Date") between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and the undersigned individual (the "Optionee").

WHEREAS, effective as of the date hereof the Optionee has been appointed as the Vice President – General Counsel and Secretary of the Company, pursuant to the terms of the Employment Agreement between the Company and the Optionee dated August 28, 2012 (the "Employment Agreement"); and

WHEREAS, the Company, acting through the Compensation, Nominating and Governance Committee of the Board of Directors (the "CNG Committee") and the full Board of Directors (the "Board"), has approved the award of Nonqualified Stock Options (the "Options") to the Optionee (the "Award") as an inducement for the Optionee to accept employment with the Company, as provided in the Employment Agreement.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, the parties agree as follows:

1. **Grant of Options.** The Company hereby grants to the Optionee the right and option to purchase from the Company, at the exercise price set forth in Section 3 below, all or any part of the aggregate number of shares of common stock, par value \$0.01 per share, of the Company, as such common shares are presently constituted (the "Stock"), set forth in said Section 3.
2. **Terms and Conditions.** It is understood and agreed that the Options evidenced hereby shall at all times be subject to the following terms and conditions:
  - (a) **Expiration Date.** The Options evidenced hereby shall expire on the date specified in Section 3 below; provided, however, that:
    - (i) **Termination of Employment for Cause.** In the event of the termination of the employment of the Optionee by the Company for Cause (as defined in Section 6.3 of the Employment Agreement), the Options, to the extent vested, but not previously exercised, shall terminate immediately upon such termination.

- (ii) Other Termination of Employment. In the event of the termination of the employment of the Optionee for any reason, other than a termination of employment described in Section 2(a)(i) above or in Section 2(a)(iii) below, the Optionee may exercise the vested portion of the Options (unless previously terminated or exercised) at any time until the earlier of: (A) September 5, 2022; or (B) the expiration of twelve (12) months from the last business day of the calendar month in which the termination of employment of the Optionee occurred.
  - (iii) Termination of Employment by Death or Disability. In the event of the termination of the employment of the Optionee due to death or Disability of the Optionee, the vested portion of the Options (unless previously terminated or exercised) may be exercised (but only to the extent exercisable by the Optionee as of the date of his death or Disability) within the one (1) year period following the Optionee's death or Disability, but in no event later than September 5, 2022, by the person or persons designated in the Optionee's will for that purpose, or, in the absence of any such designation, by the legal representative of the Optionee's estate, or by the Optionee or the Optionee's legal representative, as the case may be. For purposes of this Agreement, the term "Disability" shall mean permanent and total disability as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code").
- (b) Exercise of Options. The Options evidenced hereby shall be exercisable from time to time by (i) providing written notice of exercise ten (10) days prior to the date of exercise specifying the number of shares for which the Options are being exercised, addressed to the Company at its principal place of business, and (ii) either:
- (A) Cash Only Exercise – submitting the full cash exercise price for the purchase of shares of Stock as to which the Options are exercised; or
  - (B) Cashless Exercise – subject to the provisions of Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), submitting appropriate authorization for the sale of Stock in an amount sufficient to provide the full exercise price, including, if applicable, the delivery of a stock certificate or certificates for the shares of Stock for which the Options are exercised to a licensed broker acceptable to the Company as the agent for the individual exercising the Options and, at the time such Stock certificate or certificates are delivered, the broker tenders to the Company an amount in cash (or cash equivalents acceptable to the Company) equal to the exercise price for the shares of Stock purchased pursuant to the exercise of the Options; or
  - (C) Combination – tendering a combination of (A) and (B) above.

- (c) Tax Matters. Without regard to the method of exercise and payment, the Optionee shall pay to the Company, upon notice of the amount due, any withholding taxes payable with respect to such exercise, which payment, subject to the provisions of Rule 144 promulgated under the Securities Act, may be made with shares of Stock which would otherwise be issued pursuant to the Options. The Optionee shall be solely responsible for the payment or satisfaction of all taxes and penalties that may arise in connection with the Options (including any taxes arising under Section 409A of the Code), and the Company shall have no obligation to indemnify or otherwise hold the Optionee harmless from any or all of such taxes and penalties. The CNG Committee shall have the discretion to take any actions to unilaterally modify the grant of the Options or to modify any exercise election by the Optionee in order to comply with Section 409A of the Code.
- (d) Vesting. Provided the Optionee remains an employee of the Company on the following respective vesting dates, and subject to the other provisions of this Agreement, the Options shall vest as follows:
- (i) Two Hundred Sixty-Six Thousand Six Hundred Sixty-Six (266,666) Option shares shall vest in full on September 5, 2013;
  - (ii) Two Hundred Sixty-Six Thousand Six Hundred Sixty-Seven (266,667) Option shares shall vest in full on September 5, 2014; and
  - (iii) Two Hundred Sixty-Six Thousand Six Hundred Sixty-Seven (266,667) Option shares shall vest in full on September 5, 2015.
- (e) Adjustments Upon Certain Terminations. In the event of (i) the Company's termination of the Optionee's employment with the Company prior to September 5, 2015 without Cause (as defined in Section 6.3 of the Employment Agreement), or (ii) the Optionee's termination of the Optionee's employment with the Company prior to September 5, 2015 for Good Reason (as defined in Section 7 of the Employment Agreement), any unvested portion of the Options immediately prior to such event shall upon such event become vested in full.
- (f) Adjustments Upon Change of Control. If a "Change of Control" (as that term is defined in the Company's 1998 Stock Incentive Plan, as amended) occurs with respect to the Company, then the vesting periods of the Options shall immediately be accelerated in full and the Optionee shall have the immediate, fully vested right to purchase, receive, and/or own without risk of forfeiture any and all Stock that is the subject of the Options on the terms and conditions set forth in this Agreement.
- (g) Adjustments Upon Change in Capitalization. Any adjustment to the number and class of shares of Stock subject to the Options and to the exercise price of the Options in the event of changes in the outstanding Stock by reasons of any stock dividend, split-up, recapitalization, rights offering, combination or exchange of shares, merger, consolidation, acquisition of property or stock, separation,

reorganization, divisive reorganization or liquidation, and the like, shall be appropriately made by the CNG Committee, whose determination of such adjustment shall be conclusive.

- (h) No Dividend Participation Rights for Unexercised Options. The Optionee shall have no dividend participation rights with respect to the shares of Stock underlying Options that have not been exercised.
- (i) Transfer of Options. Subject to Section 2(a)(iii), the Options shall be transferable only to members of the Optionee's immediate family. For purposes of this Section 2(i), the Optionee's immediate family includes, and only includes, the parents, spouse, and children of the Optionee.
- (j) Compliance with Laws and Regulations. The Options evidenced hereby are subject to restrictions imposed at any time on the exercise or delivery of shares in violation of the By-Laws of the Company or of any law or governmental regulation that the Company may find to be valid and applicable.

3. Option Data:

Optionee's Name:	C. Mark Brannum
Optionee's Address:	22194 Crestvue Drive Golden, Colorado 80401
Number of Shares Subject to this Option:	800,000 shares
Grant Date:	September 5, 2012
Exercise Price per Share:	\$/ <u>1.12</u> per share <i>CMB JTB</i>
Expiration Date:	September 5, 2022

4. Securities Law Matters:

- (a) Restricted Securities. The Optionee acknowledges and understands that, unless the issuance of Stock that may be acquired upon exercise of the Options is registered on Form S-8 before any exercise of the Options, the Stock acquired upon exercise of the Options will be characterized as "restricted securities" under the federal securities laws, as the shares will be acquired from the Company in a transaction not involving a public offering, and that under such laws and applicable regulations the Stock may not be resold without registration under the Securities Act, except in certain limited circumstances. The Optionee represents to the Company that he is either familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act, or has sought counsel from someone with such knowledge.

The Optionee acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including, but not limited to, the time and manner of sale, the holding period for the Stock, and on requirements relating to the Company that are outside the Optionee's control, and which the Company is under no obligation to satisfy and may not be able to satisfy. Prior to any transfer of the Stock by the Optionee, the Company retains the right to request and receive from the Optionee an opinion of counsel reasonably satisfactory to the Company that the proposed transfer may be completed in compliance with all applicable federal and state securities laws.

- (b) Registration Rights. The Company agrees that it will make commercially reasonable, good faith efforts to include the Optionee and any shares of Stock that may be acquired by the Optionee under this Agreement in any appropriate registration statements (e.g., Form S-8 or Form S-3) filed by the Company from time to time, as contemplated by Section 3.2(d) of the Employment Agreement. Notwithstanding the foregoing, the Optionee acknowledges that nothing in this Agreement will be construed as granting a demand registration right to the Optionee.
- (c) Investment Intent at Grant. The Optionee represents and agrees that the Options and underlying Stock are being acquired for investment purposes only, and not with a view to the sale or distribution thereof.
- (d) Investment Intent at Exercise. In the event that the sale of the Stock issued upon exercise of the Options is not registered under the Securities Act but an exemption is available which requires an investment or other representation, the Optionee shall represent and agree at the time of exercise that the Stock being acquired upon exercise of the Options is being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company.
- (e) Legends. All certificates evidencing the shares of Stock purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH LAWS COVERING SUCH TRANSFER OR AN EXEMPTION FROM SUCH REGISTRATION WHICH MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY."
- (f) Removal of Legends. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing shares of Stock sold under this

Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of shares but without such legend.

(g) Accredited Investor. By checking the appropriate category(ies) below, the Optionee hereby represents to the Company that he is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D, promulgated under the Securities Act.

The Optionee's individual net worth, or joint net worth with the Optionee's spouse, at the time of purchase of the securities, exceeds One Million Dollars (\$1,000,000). For purposes of the foregoing, a person's primary residence shall not be included as an asset, indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of purchase of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability), and indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the purchase of securities shall be included as a liability.

The Optionee had an individual income in excess of Two Hundred Thousand Dollars (\$200,000) in each of the two (2) most recent years or joint income with the Optionee's spouse in excess of Three Hundred Thousand Dollars (\$300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year.

The Optionee is a director or executive officer of the Company.

The Optionee is not an accredited investor.

(h) Disclosure. The Optionee hereby represents to the Company that, at a reasonable time prior to acquisition of the Options, (i) the Company has provided the Optionee with an opportunity to ask questions and receive answers regarding the terms and conditions of this Agreement and to obtain any additional information that is necessary to verify the accuracy of any information provided by the Company, and (ii) the Company has provided or made available to the Optionee the following:

(D) The Company's most recent Proxy Statement in connection with the 2011 Annual Shareholders' Meeting;


(E) The Company's most recent Annual Report on Form 10-K for the fiscal year ended June 30, 2011, as amended;

- (F) The Company's Quarterly Reports on Form 10-Q for the quarters ended September 30, 2011, December 31, 2011, and March 31, 2012;
  - (G) The Company's Current Reports on Form 8-K filed on or after September 20, 2011 (the date of filing of the most recent Annual Report on Form 10-K); and
  - (H) A copy of the Company's prospectus dated November 17, 2011 filed on November 22, 2011 in connection with Registration Statement No. 333-177331.
- (i) Administration. Any determination by the Company in connection with any of the matters set forth in this Section 4 shall be conclusive and binding on the Optionee and all other persons.
5. No Employment or Service Rights. Nothing in this Agreement shall confer on the Optionee any independent right to continue in any capacity his relationship with the Company or interfere in any way with the right of the Company to terminate such relationship at any time, with or without cause.
6. Notice. Any notice required by the terms of this Agreement shall be given in writing, and shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, or (iii) deposit with Federal Express Corporation or comparable overnight delivery service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he provided to the Company in Section 3, or any subsequent change of address provided to the Company in accordance with this Section 6.
7. Miscellaneous. This Agreement (a) contains the entire agreement and understanding of the parties relating to the subject matter hereof and supersedes any prior agreements or understandings with respect thereto; and (b) shall be binding upon and inure to the benefit of the Company, its successors, and assigns, and the Optionee, his heirs, devisees, and legal representatives. In the event of the Optionee's death or a judicial determination of his incompetence, reference in this Agreement to the Optionee shall be deemed to refer to his legal representatives, heirs, or devisees, as the case may be. This Agreement shall be governed by the laws of the State of Colorado, except that corporate law matters pertaining to the Company shall be governed by the Delaware General Corporation Law.

[Signature page follows]

IN WITNESS WHEREOF, the Company has caused this Nonqualified Stock Option Award and Subscription Agreement to be executed by its authorized officer, effective as of the Grant Date set forth in Section 3 hereof.

MAGELLAN PETROLEUM CORPORATION

By:   
L. Thomas Wilson  
President and Chief Executive Officer

Date signed: 9/18/12

Agreed to and Accepted by:

  
Optionee: C. Mark Brannum

Date signed: September 18, 2012





**THE SHARES OF STOCK AWARDED PURSUANT TO THIS AGREEMENT HAVE NOT AS OF THE DATE HEREOF BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER SUCH LAWS COVERING SUCH TRANSFER OR AN EXEMPTION FROM SUCH REGISTRATION WHICH MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY.**

**MAGELLAN PETROLEUM CORPORATION**

**RESTRICTED STOCK AWARD AND SUBSCRIPTION AGREEMENT**

This Restricted Stock Award and Subscription Agreement evidences the award of shares of restricted common stock, par value \$0.01 per share (the "Common Stock"), of Magellan Petroleum Corporation, a Delaware corporation (the "Company"), to the individual whose name appears below (the "Grantee"), as an inducement for the Grantee to accept employment with the Company pursuant to the terms of the Employment Agreement between the Company and the Grantee dated August 28, 2012 (the "Employment Agreement"), which award shall be on the following express terms and conditions:

1. Name of Grantee: C. Mark Brannum
2. Number of Restricted Shares: 50,000 shares (the "Restricted Shares")
3. Grant Date: September 5, 2012
4. Effectiveness; Execution of Agreement: Grantee shall have no rights with respect to the Restricted Shares awarded hereby unless Grantee shall have accepted the award of the Restricted Shares within 60 days (or such shorter date as the Compensation, Nominating and Governance Committee of the Company's Board of Directors may specify) following the Grant Date by executing and delivering to the Secretary of the Company a copy of this Agreement.
5. Vesting of Restricted Shares: Provided the Grantee's employment with the Company has not been terminated by the Company for Cause (as defined in Section 6.3 of the Employment Agreement) or by the Grantee without Good Reason (as defined in Section 7 of the Employment Agreement) on or before the following respective vesting dates, the vesting of the Restricted Shares shall be as follows:

<u>Number of Shares</u>	<u>Vesting Date</u>
25,000 (1/2)	March 5, 2013
25,000 (1/2)	September 5, 2013

Upon such vesting, the respective number of Restricted Shares shall no longer be subject to forfeiture by the Grantee to the Company.

6. Forfeitures: In the event of a termination of employment of Grantee with the Company that is by the Company for Cause or is by the Grantee without Good Reason, all of the

Restricted Shares that are then remaining unvested shall be immediately forfeited to the Company without the necessity of any further act by the Company, Grantee, or Grantee's legal representative.

7. Transferability; Rights as a Stockholder: Restricted Shares that have not become vested may not be sold, assigned, transferred, or otherwise disposed of or pledged or otherwise encumbered by Grantee; provided, however, that Grantee shall have all the rights of a stockholder with respect to the Restricted Shares awarded hereby, including voting and dividend rights, subject to the provisions regarding nontransferability and the Company's forfeiture rights described herein.
8. Taxation Matters.
  - (a) Grantee recognizes and agrees that there may be certain tax issues that affect Grantee arising from the grant and/or vesting of the Restricted Shares, and Grantee shall be solely responsible for payment of all federal, state, and local taxes resulting therefrom. The Company expressly disclaims providing any specific and personal tax advice to Grantee, and recommends that Grantee seek personal tax advice.
  - (b) In general, Grantee will have taxable income in any year during which Restricted Shares vest. The amount of the taxable income for each year will equal the number of Restricted Shares which vest multiplied by the fair market value of a share of Common Stock on the vesting date. This amount will be included in Grantee's taxable income reported for that year. Any applicable withholding taxes associated with the vesting of the Restricted Shares may be paid to the Company as set forth in paragraph (c) below or by any other method deemed satisfactory to the Company, prior to the delivery of vested Restricted Shares to Grantee.
  - (c) Grantee's tax withholding liability may be satisfied through the delivery to the Company of shares of Common Stock having a value equal in amount to the tax withholding liability outlined in (b) above. The number of shares to be delivered to the Company will be rounded up to the nearest whole share, and in no case will partial shares be transferred. The shares delivered to the Company for satisfaction of Grantee's tax withholding liability will result in a reduction in the number of vested shares actually delivered to Grantee.
  - (d) Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), permits Grantee to elect to recognize income in the year in which the Restricted Shares are granted, rather than in subsequent years in which they vest. This election generally must be filed with the Internal Revenue Service within 30 days of the Grant Date. Grantee is encouraged to discuss this option with his own tax advisor. In the event Grantee desires to make an election under Section 83(b) of the Code, Grantee first shall make appropriate arrangements with the Company for the payment of all applicable withholding taxes associated with such election. The satisfaction of tax withholding liability pursuant to Section 8(c) above is not

available if the Grantee makes a Section 83(b) election with respect to the Restricted Shares.

9. Securities Law Matters:

- (a) Restricted Securities. The Grantee acknowledges and understands that, unless the issuance of the Restricted Shares is registered on Form S-8, the Restricted Shares will be characterized as "restricted securities" under the federal securities laws, as the Restricted Shares will be acquired from the Company in a transaction not involving a public offering, and that under such laws and applicable regulations the Restricted Shares may not be resold without registration under the Securities Act of 1933, as amended (the "Securities Act"), except in certain limited circumstances. The Grantee represents to the Company that he is either familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act, or has sought counsel from someone with such knowledge.

The Grantee acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including, but not limited to, the time and manner of sale, the holding period for the Restricted Shares, and on requirements relating to the Company that are outside the Grantee's control, and which the Company is under no obligation to satisfy and may not be able to satisfy. Prior to any transfer of the Restricted Shares by the Grantee, the Company retains the right to request and receive from the Grantee an opinion of counsel reasonably satisfactory to the Company that the proposed transfer may be completed in compliance with all applicable federal and state securities laws.

- (b) Registration Rights. The Company agrees that it will make commercially reasonable, good faith efforts to include the Grantee and the Restricted Shares in any appropriate registration statements (e.g., Form S-8 or Form S-3) filed by the Company from time to time, as contemplated by Section 3.2(d) of the Employment Agreement. Notwithstanding the foregoing, the Grantee acknowledges that nothing in this Agreement will be construed as granting a demand registration right to the Grantee.
- (c) Investment Intent. The Grantee represents and agrees that the Restricted Shares are being acquired for investment purposes only, and not with a view to the sale or distribution thereof.
- (d) Legends. All certificates evidencing the Restricted Shares acquired under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law or to enforce the contractual transfer restrictions and forfeiture provisions under this Agreement):

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH LAWS COVERING SUCH TRANSFER OR AN EXEMPTION FROM SUCH REGISTRATION WHICH MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY."

- (e) Removal of Legends. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Restricted Shares acquired under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of shares but without such legend.
- (f) Accredited Investor. By checking the appropriate category(ies) below, the Grantee hereby represents to the Company that he is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D, promulgated under the Securities Act.
- The Grantee's individual net worth, or joint net worth with the Grantee's spouse, at the time of purchase of the securities, exceeds One Million Dollars (\$1,000,000). For purposes of the foregoing, a person's primary residence shall not be included as an asset, indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of purchase of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability), and indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the purchase of securities shall be included as a liability.
  - The Grantee had an individual income in excess of Two Hundred Thousand Dollars (\$200,000) in each of the two (2) most recent years or joint income with the Grantee's spouse in excess of Three Hundred Thousand Dollars (\$300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year.
  - The Grantee is a director or executive officer of the Company.
  - The Grantee is not an accredited investor.
- (g) Disclosure. The Grantee hereby represents to the Company that, at a reasonable time prior to acquisition of the Restricted Shares, (i) the Company has provided

the Grantee with an opportunity to ask questions and receive answers regarding the terms and conditions of this Agreement and to obtain any additional information that is necessary to verify the accuracy of any information provided by the Company, and (ii) the Company has provided or made available to the Grantee the following:

- (1) The Company's most recent Proxy Statement in connection with the 2011 Annual Shareholders' Meeting;
- (2) The Company's most recent Annual Report on Form 10-K for the fiscal year ended June 30, 2011, as amended;
- (3) The Company's Quarterly Reports on Form 10-Q for the quarters ended September 30, 2011, December 31, 2011, and March 31, 2012;
- (4) The Company's Current Reports on Form 8-K filed on or after September 20, 2011 (the date of filing of the most recent Annual Report on Form 10-K); and
- (5) A copy of the Company's prospectus dated November 17, 2011 filed on November 22, 2011 in connection with Registration Statement No. 333-177331.

(h) Administration. Any determination by the Company in connection with any of the matters set forth in this Section 9 shall be conclusive and binding on the Grantee and all other persons.


10. Stock Certificates: Until the applicable vesting date, certificates representing the Restricted Shares shall be issued in the name of Grantee, but held in the physical possession of the Company. Grantee shall execute in blank the stock power attached hereto as Annex I, allowing the Company to transfer the Restricted Shares in the event they are forfeited pursuant to Section 6 above.
11. Compliance with Laws and Regulations: The issuance of the Restricted Shares pursuant to this Agreement shall (a) be subject to restrictions imposed at any time on the delivery of shares in violation of the By-Laws of the Company or of any law or governmental regulation that the Company may find to be valid and applicable; and (b) be subject to, and shall comply with, any applicable requirements of any federal and state securities laws, rules, and regulations (including, without limitation, the provisions of the Securities Act and the Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if such issuance would violate any such securities laws, rules, or regulations.
12. Miscellaneous: This Agreement and the Employment Agreement (a) contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes any prior agreements or understandings with respect thereto; and (b) shall be binding upon and inure to the benefit of the Company, its successors, and assigns, and Grantee,

his heirs, devisees, and legal representatives. In the event of Grantee's death or a judicial determination of his incompetence, reference in this Agreement to Grantee shall be deemed to refer to his legal representative, heirs, or devisees, as the case may be.

[Signature page follows]

IN WITNESS WHEREOF, the Company has caused this Restricted Stock Award and Subscription Agreement to be executed by its authorized officer, effective as of the Grant Date identified in Section 3 above.

MAGELLAN PETROLEUM CORPORATION

By:   
J. Thomas Wilson  
President and Chief Executive Officer

Date signed: 9/18/12

Agreed to and Accepted by:

  
C. Mark Brannum

Date signed: September 18, 2012



**STOCK POWER**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto Magellan Petroleum Corporation, a Delaware corporation (the "Company"), 50,000 shares of common stock, \$0.01 par value per share, of the Company, registered in the name of the undersigned on the books and records of the Company, and does hereby irrevocably constitute and appoint the Secretary of the Company as attorney to transfer the said stock on the books of the Company with full power of substitution in the premises.

\_\_\_\_\_  
Signed (Signature should be in exact form as on  
stock certificate)

\_\_\_\_\_  
Date



## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made effective as of the 5<sup>th</sup> day of September, 2012 (the "Effective Date"), by and between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and C. Mark Brannum, an individual residing at 22194 Crestvue Drive, Golden, Colorado 80401 (the "Indemnitee").

### Recitals

A. The Indemnitee was appointed as the Vice President – General Counsel and Secretary of the Company on September 5, 2012, and in such capacities is performing or will perform valuable services for the Company.

B. The Delaware General Corporation Law, as amended from time to time (the "DGCL"), permits the Company to indemnify the officers, directors, employees, and agents of the Company.

C. The Company desires to hold harmless and indemnify the Indemnitee to the fullest extent authorized or permitted by the provisions of the DGCL, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which hereafter may be adopted.

D. The Company has entered into this Agreement and has assumed the obligations imposed on the Company hereby in order to induce the Indemnitee to serve or to continue to serve as an officer and employee of the Company, and acknowledges that the Indemnitee is relying upon this Agreement in serving or continuing to serve in such capacities.

### Agreement

Accordingly, in consideration of the Indemnitee's agreement to serve or continue to serve as the Vice President – General Counsel and Secretary of the Company, the Company and the Indemnitee agree as follows:

1. Initial Indemnification.

(a) General. From and after the Effective Date (September 5, 2012), the Company shall indemnify the Indemnitee to the fullest extent permitted by applicable law whenever he is, or is threatened to be made, a party to or a participant in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing, or any other actual, threatened, or completed proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company to procure a judgment in its favor), by reason of the fact that he is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all expenses (including, without limitation, attorneys' fees and expenses), judgments, fines, amounts paid in settlements, and other amounts actually and reasonably incurred by the Indemnitee or on his behalf in connection with such

action, suit, or proceeding and any appeal therefrom, or any claim, issue, or matter therein if the Indemnitee acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) Derivative Actions. From and after the Effective Date, the Company shall indemnify the Indemnitee to the fullest extent permitted by applicable law when he was or is, or is threatened to be made, a party to or a participant in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing, or any other actual, threatened, or completed proceeding, whether civil, criminal, administrative, or investigative, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was or had agreed to become a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including, without limitation, attorneys' fees and expenses) actually and reasonably incurred by the Indemnitee or on his behalf in connection with the defense or settlement of such action, suit, or proceeding and any appeal therefrom, or any claim, issue or matter therein if the Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue, or matter as to which the Indemnitee shall have been fully adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery, or the court in which such action, suit, or proceeding is or was brought, shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such expenses and then only to the extent that the Delaware Court of Chancery or such other court shall determine.

(c) Determination of Entitlement. Any indemnification under Section 1(a) or 1(b) hereof (unless ordered by a court) shall be made by the Company only if authorized in the specific case upon a determination, in accordance with Section 4 hereof or any applicable provision of the Company's Restated Certificate of Incorporation, as then amended (the "Charter"), its By-Laws as then amended (the "By-Laws"), any other agreement, any resolution, or otherwise, that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1(a) or 1(b) above. Such determination shall be made (i) by the Company's Board of Directors (the "Board") by a majority vote of directors who are not parties to such action, suit, or proceeding, even though less than a quorum of the Board, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders of the Company (the "Stockholders"). Notwithstanding the foregoing, as contemplated by Section 3, no subsequent amendment or change to the By-Laws or the Charter which limits or restricts the rights of the Company to indemnify the Indemnitee shall adversely affect the rights of the Indemnitee hereunder.

(d) Mandatory Indemnification. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that the Indemnitee is a party to (or participant in) and is successful, on the merits or otherwise, in any action, suit, or proceeding referred to in Section 1(a) or 1(b) hereof, or in defense of any claim, issue, or matter therein, in whole or in part, the Company shall indemnify the Indemnitee against all expenses (including, without limitation, attorneys' fees and expenses) actually and reasonably incurred by him in connection therewith. If the Indemnitee is not wholly successful in such action, suit, or proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters therein, the Company shall indemnify the Indemnitee against all expenses actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue, or matter to the fullest extent permitted by law.

(e) Advancement of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 4), the Company shall advance, to the extent not prohibited by law, the expenses (including, without limitation, attorneys' fees and expenses) incurred by the Indemnitee in defending any civil, criminal, administrative, or investigative action, suit, or proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or in advance of the final disposition of such action, suit, or proceeding as authorized in accordance with Section 4 hereof or any applicable provision of the Charter, the By-Laws, any other agreement, any resolution, or otherwise.

(f) Benefit Plan Matters. For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and the beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Section 1.

## 2. Additional Indemnification.

(a) General. If and to the extent that (i) the DGCL is amended hereafter to require or permit indemnification, expense advancement, or exculpation that is or may be more favorable to the Indemnitee than the maximum permissible indemnification, expense advancement, and exculpation now permitted thereunder and provided in this Agreement, or (ii) the Company reincorporates in or merges, consolidates, or combines into or with any other corporation or entity by virtue of which transaction the Company is not the surviving, resulting, or acquiring corporation and the surviving, resulting, or acquiring corporation is incorporated in a different jurisdiction which at such time requires or permits indemnification, expense advancement, or exculpation that is or may be more favorable to the Indemnitee than the maximum permissible indemnification, expense advancement, and exculpation now permitted under the DGCL and provided in this Agreement, then pursuant to this Agreement the Indemnitee shall be entitled to, and this Agreement shall be deemed to be amended to provide for the Indemnitee's contractual entitlement to, indemnification, expense advancement, and

exculpation to the maximum extent that may be permitted or required under such applicable law at the time of any initial or subsequent request for indemnity hereunder (determined as contemplated by Section 4 hereof), whether or not the Company has adopted any Charter or By-law provisions adopting, effecting, or implementing any provisions thereof which are permissive and not mandatory in nature. Nothing contained herein shall be deemed to detract from, diminish, impair, limit, or adversely affect any right which the Indemnitee may have under this Agreement under any circumstances, including without limitation in the event of subsequent amendment or revision to the Charter or the By-Laws, and to the extent that any terms, conditions, or provisions of this Agreement (including, without limitation, those in Section 1 hereof) are more favorable to the Indemnitee than the maximum indemnification, expense advancement, and exculpation then permitted or required under such applicable law (determined as aforesaid), then such terms, conditions, and provisions of this Agreement shall be preserved and integrated with such more favorable terms from then applicable law and shall continue to apply to the Indemnitee's rights by virtue of this Agreement. The same expansion of the Indemnitee's rights and deemed inclusion herein and integration herewith of any terms, conditions, or provisions more favorable to the Indemnitee shall occur upon and with respect to any amendment of the provisions relating to indemnification, expense advancement, and exculpation in the Company's Charter or the By-Laws and any provision by the Company to any other officer or director of the Company of any other different form of indemnification contract or agreement.

(b) Examples and Limitations. Without limiting the generality of Section 2(a) hereof, the Indemnitee hereby may become entitled to indemnification of any and all amounts which he becomes legally obligated to pay (including, without limitation, damages, judgments, fines, settlements, expenses of investigation and defense of legal actions, proceedings, or claims and appeals therefrom, and expenses of appeal, attachment, or similar bonds) relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as an officer, director, employee, or agent of the Company, subject only to any limitations on the maximum permissible expense advancement or indemnification which may exist under applicable law (determined as provided in Section 2(a) hereof). In no event, however, shall the Company be obligated under this Section 2 to make any payment in connection with any claim against the Indemnitee:

(i) for which payment actually has been made to the Indemnitee under a valid and collectible insurance policy, except in respect of any retention or excess beyond the amount of payment under such insurance;

(ii) which results in a final, nonappealable order for the Indemnitee to pay a fine or similar governmental imposition which the Company is prohibited by applicable law from paying; or

(iii) which is based upon or attributable to the Indemnitee gaining in fact a personal profit to which he was not legally entitled, including, without limitation, any profits made from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934 and any profits arising

from transactions in any publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934 or Rule 10b-5 promulgated thereunder.

3. Effect of Future Adverse Changes in Charter, By-Laws, or Applicable Law.

Nothing herein shall prevent the adoption by the Board or the Stockholders of any amendment to the Charter or the By-Laws, the effect of which would be to detract from, diminish, impair, limit, or adversely affect the Indemnitee's rights to indemnification, expense advancement, or exculpation that otherwise exist as of the Effective Date pursuant to such Charter or By-Laws as applied to any act or failure to act occurring in whole or in part after the date hereof. In the event that the Company shall adopt any such amendment to its Charter or By-Laws, however, or in the event that the indemnification, expense advancement, or exculpation provisions of the DGCL (or any other then applicable law) hereafter shall be amended in a manner which may be deemed to detract from, diminish, impair, limit, or adversely affect the Indemnitee's rights with respect thereto, such events and changes shall not in any manner or to any extent detract from, diminish, impair, limit, or adversely affect in any manner the contractual indemnification rights and procedures granted to and benefiting the Indemnitee under this Agreement, unless and then except only to the extent that any of such rights or any of the terms, conditions, and provisions of this Agreement shall thereby be made illegal or otherwise violative of applicable law, in which case the provisions of Section 11(d) hereof shall apply. For purposes only of determining the Indemnitee's rights to indemnification pursuant to the Charter or the By-Laws as so amended, and not for purposes of the continuing applicability of this Agreement in accordance with its terms, any such amendment to the Charter or the By-Laws shall apply to acts or failures to act occurring entirely after the date on which such amendment was approved and adopted by the Board or the Stockholders, as the case may be, unless the Indemnitee shall have voted in favor of such approval and adoption as a director or holder of record of the Company's voting stock, as the case may be.

4. Certain Procedures.

(a) Indemnification Procedures. For purposes of pursuing his rights to indemnification under Section 1 (other than the second sentence of Section 1(d) hereof, which shall be governed by Section 4(b) hereof) or Section 2 hereof, as the case may be, the Indemnitee shall be required to submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit 1 hereto (the "Indemnification Statement") averring that he is entitled to indemnification hereunder. Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification under Section 1 (other than the second sentence of Section 1(d) hereof, which shall be governed by Section 4(b) hereof) or Section 2 hereof, as the case may be, and, except as set forth below, the Board shall within 30 calendar days after submission of the Indemnification Statement specifically determine that the Indemnitee is so entitled, unless within such 30-calendar day period it shall determine by Board action, based upon clear and convincing evidence (sufficient to rebut the foregoing presumption) that the Indemnitee is not entitled to indemnification under Sections 1 or 2 hereof. The Company shall notify the Indemnitee promptly in writing following such determination. Any evidence rebutting the Indemnitee's presumption, to which the Board gave weight in arriving at its determination, shall be disclosed to the Indemnitee with particularity in such

written notice. Notwithstanding anything to the contrary contained in the three preceding sentences, if the Board determines that it cannot act on the request for indemnification submitted by the Indemnitee because a determination of entitlement cannot be made in the manner required by Section 1(c) hereof, the Board will act promptly to retain independent legal counsel or convene a meeting of the Stockholders to act on the request.

(b) Expense Advancement Procedures. For purposes of determining whether to authorize advancement of expenses pursuant to the second sentence of Section 1(d) hereof or Section 2(b) hereof, the Indemnitee shall be required to submit to the Board a sworn statement of request for advancement of expenses substantially in the form of Exhibit 2 hereto (the "Undertaking"), averring that (i) he has incurred or will incur actual expenses in defending a civil, criminal, administrative, or investigative action, suit, or proceeding, and (ii) he undertakes to repay such amount if it shall be determined ultimately that he is not entitled to be indemnified by the Company under this Agreement or otherwise. Within 30 calendar days after receipt of the Undertaking, the Board shall authorize payment of the expenses described in the Undertaking, whereupon such payments shall be made promptly by the Company. No security shall be required in connection with any Undertaking, and any Undertaking shall be accepted without reference to the Indemnitee's ability to make repayment.

(c) Selection of Counsel. In the event the Company shall be obligated under this Section 4 to pay the expenses of any action, suit, or proceeding against the Indemnitee, the Company shall be entitled to assume the defense of such proceeding, with counsel acceptable to and approved by the Indemnitee, upon the delivery to the Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by the Indemnitee, and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of separate counsel subsequently incurred by the Indemnitee with respect to the same action, suit, or proceeding; provided, however, that if (i) the employment of counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of any such defense, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the Indemnitee may select and employ his own counsel to direct the defense thereof and the fees and expenses of such counsel shall be paid by the Company. Notwithstanding any assumption of the defense of any such action, suit, or proceeding and employment of counsel with respect thereto by the Company in accordance with the foregoing, the Indemnitee shall have the right to employ his own separate counsel to participate in any such action, suit, or proceeding at the Indemnitee's expense.

#### 5. Corporate Approval.

The Company represents and warrants to the Indemnitee that: (i) the Company has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder; (ii) this Agreement and the performance of all of the Company's obligations hereunder have been approved by all corporate action required on the part of the Company under the Charter, the By-Laws, or applicable law or contract; and (iii) this Agreement, when executed, will constitute the valid and legally binding obligation of the Company, enforceable against the



Company in accordance with its terms, subject to any applicable bankruptcy law and equitable limitations.

6. Fees and Expenses of Enforcement.

It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit, or proceeding designed (or having the effect of being designed) to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder, or other person affiliated with the Company, in any jurisdiction. The Company shall, to the fullest extent permitted by law, indemnify the Indemnitee against any and all expenses, including without limitation attorneys' fees and expenses, and, if requested by the Indemnitee, shall advance, to the extent not prohibited by law, such expenses, actually and reasonably incurred by the Indemnitee (i) as a result of the Company's failure to perform this Agreement or any provision hereof, or (ii) as a result of the Company or any person contesting the validity or enforceability of this Agreement or any provision hereof.

7. Maintenance of Insurance and Self Insurance.

(a) The Company represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

<u>Insurer</u>	<u>Summary</u>	<u>Policy No.</u>	<u>Amount</u>	<u>Deductible</u>
Chubb Group of Insurance Companies	Primary Policy	8169-1712	\$10,000,000	\$250,000
Monitor/Berkley	Excess Layer 1	11110617	\$5,000,000	
Continental Casualty	Excess Layer 2	425541307	\$5,000,000	
Old Republic	Side A DIC	CUG 35013	\$5,000,000	

Subject only to the provisions of Section 7(b) hereof, the Company hereby agrees that, so long as the Indemnitee shall continue to serve as a director or officer of the Company (or shall continue at the request of the Company to serve as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise) and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, or investigative, by reason of the fact that the Indemnitee was a director or officer of the Company (or served in any of said other capacities),

the Company will purchase and maintain in effect for the benefit of the Indemnitee one or more valid, binding, and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) The Company shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of the Company, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage, or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

8. Reorganizations.

In the event that the Company shall be a constituent corporation (including any constituent of a constituent) in a merger, reorganization, consolidation, combination, or similar transaction, the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto the surviving, resulting, or acquiring corporation to expressly assume and adopt this Agreement and to agree to indemnify the Indemnitee to the full extent provided in this Agreement. Whether or not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

9. Nonexclusivity, Survival, and Subrogation.

(a) Nonexclusivity. The rights to indemnification and advancement provided by this Agreement shall not be exclusive of any other rights to which the Indemnitee may be entitled under the Charter, the By-Laws, the DGCL, any other statute, insurance policy, agreement, vote of stockholders or of directors, or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such office.

(b) Survival. The provisions of this Agreement shall survive the death, disability, or incapacity of the Indemnitee or the termination of the Indemnitee's service as an officer, director, employee, or agent of the Company, and shall inure to the benefit of, and be enforceable by, the Indemnitee's heirs, executors, guardians, administrators, or assigns.

(c) Subrogation. In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent thereof to all rights of recovery previously vested in the Indemnitee, who shall cooperate with the Company, at the Company's expense, in executing all such instruments and taking all such other actions as shall be reasonably necessary for the Company to enforce such right or as the Company may reasonably request.

10. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.


11. Miscellaneous.

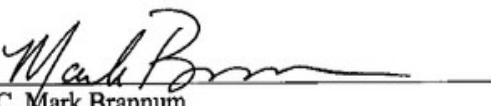
- (a) This Agreement shall become effective as of the Effective Date.
- (b) This Agreement contains the entire agreement of the parties relating to the subject matter hereof.
- (c) Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and signed, in the case of an amendment, by both parties hereto or, in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by either party in exercising any right, power, or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power, or privilege.
- (d) If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.
- (e) Nothing contained in this Agreement is intended to create in the Indemnitee any separate or independent right to continued employment by the Company.
- (f) This Agreement may be executed in counterparts, with executed signature pages deliverable by email or fax transmission, but all such counterparts taken together shall constitute one and the same Agreement.
- (g) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than limitation. The use of the word "or" in this Agreement is intended to be conjunctive rather than disjunctive.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the date first above written.

MAGELLAN PETROLEUM CORPORATION

By:   
Thomas Wilson  
President and Chief Executive Officer  
Executed: September 18, 2012

  
C. Mark Brannum  
Indemnitee  
Executed: September 18, 2012

Indemnification Statement

STATE OF )  
 ) ss.  
COUNTY OF )

I, \_\_\_\_\_, being first duly sworn, do depose and state as follows:

1. This Indemnification Statement is submitted pursuant to the Indemnification Agreement, dated September 5, 2012 between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and the undersigned.

2. I am requesting indemnification against expenses (including, without limitation, attorneys' fees and expenses), costs, judgments, damages, fines, and amounts paid in settlement, all of which (collectively, "Liabilities") have been or will be actually and reasonably incurred by me in connection with an actual or threatened action, suit, or proceeding to which I was or am a party or am threatened to be made a party.

3. With respect to all matters related to any such action, suit, or proceeding, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have arisen or may arise out of \_\_\_\_\_  
\_\_\_\_\_.

INDEMNITEE  
\_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Seal]

My commission expires the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Undertaking

STATE OF )  
 ) ss.  
COUNTY OF )

I, \_\_\_\_\_, being first duly sworn, do depose and state as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated September 5, 2012, between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and the undersigned.

2. I am requesting advancement of certain expenses (including, without limitation, attorneys' fees and expenses) which I have incurred or will incur in defending a civil, criminal, administrative, or investigative action, suit, or proceeding.

3. I hereby undertake to repay this advancement of expenses if it shall ultimately be determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

4. The expenses for which advancement is requested are, in general, all expenses related to \_\_\_\_\_.

INDEMNITEE

\_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Seal]

My commission expires the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.



## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made effective as of the 30<sup>th</sup> day of November, 2011 (the "Effective Date"), by and between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and Milam Randolph Pharo, an individual residing at 401 Aspen Place, Golden, Colorado 80403 (the "Indemnitee").

### Recitals

A. The Indemnitee was appointed as the Vice President – General Counsel and Secretary of the Company on November 30, 2011, and in such capacities has performed, is performing, or will perform valuable services for the Company.

B. The Delaware General Corporation Law, as amended from time to time (the "DGCL"), permits the Company to indemnify the officers, directors, employees, and agents of the Company.

C. The Company desires to hold harmless and indemnify the Indemnitee to the fullest extent authorized or permitted by the provisions of the DGCL, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which hereafter may be adopted.

D. The Company has entered into this Agreement and has assumed the obligations imposed on the Company hereby in order to induce the Indemnitee to serve or to continue to serve as an officer and employee of the Company, and acknowledges that the Indemnitee is relying upon this Agreement in serving or continuing to serve in such capacities.

### Agreement

Accordingly, in consideration of the Indemnitee's agreement to serve or continue to serve as the Vice President – General Counsel and Secretary of the Company, the Company and the Indemnitee agree as follows:

1. Initial Indemnification.

(a) General. From and after the Effective Date (November 30, 2011), the Company shall indemnify the Indemnitee to the fullest extent permitted by applicable law whenever he is, or is threatened to be made, a party to or a participant in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing, or any other actual, threatened, or completed proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company to procure a judgment in its favor), by reason of the fact that he is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all expenses (including, without limitation, attorneys' fees and expenses), judgments, fines, amounts paid in settlements, and other amounts actually and reasonably incurred by the Indemnitee or on his behalf in connection with such



action, suit, or proceeding and any appeal therefrom, or any claim, issue, or matter therein if the Indemnitee acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) Derivative Actions. From and after the Effective Date, the Company shall indemnify the Indemnitee to the fullest extent permitted by applicable law when he was or is, or is threatened to be made, a party to or a participant in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing, or any other actual, threatened, or completed proceeding, whether civil, criminal, administrative, or investigative, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was or had agreed to become a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including, without limitation, attorneys' fees and expenses) actually and reasonably incurred by the Indemnitee or on his behalf in connection with the defense or settlement of such action, suit, or proceeding and any appeal therefrom, or any claim, issue or matter therein if the Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue, or matter as to which the Indemnitee shall have been fully adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery, or the court in which such action, suit, or proceeding is or was brought, shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such expenses and then only to the extent that the Delaware Court of Chancery or such other court shall determine.

(c) Determination of Entitlement. Any indemnification under Section 1(a) or 1(b) hereof (unless ordered by a court) shall be made by the Company only if authorized in the specific case upon a determination, in accordance with Section 4 hereof or any applicable provision of the Company's Restated Certificate of Incorporation, as then amended (the "Charter"), its By-Laws as then amended (the "By-Laws"), any other agreement, any resolution, or otherwise, that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1(a) or 1(b) above. Such determination shall be made (i) by the Company's Board of Directors (the "Board") by a majority vote of directors who are not parties to such action, suit, or proceeding, even though less than a quorum of the Board, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders of the Company (the "Stockholders"). Notwithstanding the foregoing, as contemplated by Section 3, no subsequent amendment or change to the By-Laws or the Charter which limits or restricts the rights of the Company to indemnify the Indemnitee shall adversely affect the rights of the Indemnitee hereunder.

(d) Mandatory Indemnification. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that the Indemnitee is a party to (or participant in) and is successful, on the merits or otherwise, in any action, suit, or proceeding referred to in Section 1(a) or 1(b) hereof, or in defense of any claim, issue, or matter therein, in whole or in part, the Company shall indemnify the Indemnitee against all expenses (including, without limitation, attorneys' fees and expenses) actually and reasonably incurred by him in connection therewith. If the Indemnitee is not wholly successful in such action, suit, or proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters therein, the Company shall indemnify the Indemnitee against all expenses actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue, or matter to the fullest extent permitted by law.

(e) Advancement of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 4), the Company shall advance, to the extent not prohibited by law, the expenses (including, without limitation, attorneys' fees and expenses) incurred by the Indemnitee in defending any civil, criminal, administrative, or investigative action, suit, or proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or in advance of the final disposition of such action, suit, or proceeding as authorized in accordance with Section 4 hereof or any applicable provision of the Charter, the By-Laws, any other agreement, any resolution, or otherwise.

(f) Benefit Plan Matters. For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and the beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Section 1.

## 2. Additional Indemnification.

(a) General. If and to the extent that (i) the DGCL is amended hereafter to require or permit indemnification, expense advancement, or exculpation that is or may be more favorable to the Indemnitee than the maximum permissible indemnification, expense advancement, and exculpation now permitted thereunder and provided in this Agreement, or (ii) the Company reincorporates in or merges, consolidates, or combines into or with any other corporation or entity by virtue of which transaction the Company is not the surviving, resulting, or acquiring corporation and the surviving, resulting, or acquiring corporation is incorporated in a different jurisdiction which at such time requires or permits indemnification, expense advancement, or exculpation that is or may be more favorable to the Indemnitee than the maximum permissible indemnification, expense advancement, and exculpation now permitted under the DGCL and provided in this Agreement, then pursuant to this Agreement the Indemnitee shall be entitled to, and this Agreement shall be deemed to be amended to provide for the Indemnitee's contractual entitlement to, indemnification, expense advancement, and

exculpation to the maximum extent that may be permitted or required under such applicable law at the time of any initial or subsequent request for indemnity hereunder (determined as contemplated by Section 4 hereof), whether or not the Company has adopted any Charter or By-law provisions adopting, effecting, or implementing any provisions thereof which are permissive and not mandatory in nature. Nothing contained herein shall be deemed to detract from, diminish, impair, limit, or adversely affect any right which the Indemnitee may have under this Agreement under any circumstances, including without limitation in the event of subsequent amendment or revision to the Charter or the By-Laws, and to the extent that any terms, conditions, or provisions of this Agreement (including, without limitation, those in Section 1 hereof) are more favorable to the Indemnitee than the maximum indemnification, expense advancement, and exculpation then permitted or required under such applicable law (determined as aforesaid), then such terms, conditions, and provisions of this Agreement shall be preserved and integrated with such more favorable terms from then applicable law and shall continue to apply to the Indemnitee's rights by virtue of this Agreement. The same expansion of the Indemnitee's rights and deemed inclusion herein and integration herewith of any terms, conditions, or provisions more favorable to the Indemnitee shall occur upon and with respect to any amendment of the provisions relating to indemnification, expense advancement, and exculpation in the Company's Charter or the By-Laws and any provision by the Company to any other officer or director of the Company of any other different form of indemnification contract or agreement.

(b) Examples and Limitations. Without limiting the generality of Section 2(a) hereof, the Indemnitee hereby may become entitled to indemnification of any and all amounts which he becomes legally obligated to pay (including, without limitation, damages, judgments, fines, settlements, expenses of investigation and defense of legal actions, proceedings, or claims and appeals therefrom, and expenses of appeal, attachment, or similar bonds) relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as an officer, director, employee, or agent of the Company, subject only to any limitations on the maximum permissible expense advancement or indemnification which may exist under applicable law (determined as provided in Section 2(a) hereof). In no event, however, shall the Company be obligated under this Section 2 to make any payment in connection with any claim against the Indemnitee:

(i) for which payment actually has been made to the Indemnitee under a valid and collectible insurance policy, except in respect of any retention or excess beyond the amount of payment under such insurance;

(ii) which results in a final, nonappealable order for the Indemnitee to pay a fine or similar governmental imposition which the Company is prohibited by applicable law from paying; or

(iii) which is based upon or attributable to the Indemnitee gaining in fact a personal profit to which he was not legally entitled, including, without limitation, any profits made from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934 and any profits arising

from transactions in any publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934 or Rule 10b-5 promulgated thereunder.

3. Effect of Future Adverse Changes in Charter, By-Laws, or Applicable Law.

Nothing herein shall prevent the adoption by the Board or the Stockholders of any amendment to the Charter or the By-Laws, the effect of which would be to detract from, diminish, impair, limit, or adversely affect the Indemnitee's rights to indemnification, expense advancement, or exculpation that otherwise exist as of the Effective Date pursuant to such Charter or By-Laws as applied to any act or failure to act occurring in whole or in part after the date hereof. In the event that the Company shall adopt any such amendment to its Charter or By-Laws, however, or in the event that the indemnification, expense advancement, or exculpation provisions of the DGCL (or any other then applicable law) hereafter shall be amended in a manner which may be deemed to detract from, diminish, impair, limit, or adversely affect the Indemnitee's rights with respect thereto, such events and changes shall not in any manner or to any extent detract from, diminish, impair, limit, or adversely affect in any manner the contractual indemnification rights and procedures granted to and benefiting the Indemnitee under this Agreement, unless and then except only to the extent that any of such rights or any of the terms, conditions, and provisions of this Agreement shall thereby be made illegal or otherwise violative of applicable law, in which case the provisions of Section 11(d) hereof shall apply. For purposes only of determining the Indemnitee's rights to indemnification pursuant to the Charter or the By-Laws as so amended, and not for purposes of the continuing applicability of this Agreement in accordance with its terms, any such amendment to the Charter or the By-Laws shall apply to acts or failures to act occurring entirely after the date on which such amendment was approved and adopted by the Board or the Stockholders, as the case may be, unless the Indemnitee shall have voted in favor of such approval and adoption as a director or holder of record of the Company's voting stock, as the case may be.

4. Certain Procedures.

(a) Indemnification Procedures. For purposes of pursuing his rights to indemnification under Section 1 (other than the second sentence of Section 1(d) hereof, which shall be governed by Section 4(b) hereof) or Section 2 hereof, as the case may be, the Indemnitee shall be required to submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit 1 hereto (the "Indemnification Statement") averring that he is entitled to indemnification hereunder. Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification under Section 1 (other than the second sentence of Section 1(d) hereof, which shall be governed by Section 4(b) hereof) or Section 2 hereof, as the case may be, and, except as set forth below, the Board shall within 30 calendar days after submission of the Indemnification Statement specifically determine that the Indemnitee is so entitled, unless within such 30-calendar day period it shall determine by Board action, based upon clear and convincing evidence (sufficient to rebut the foregoing presumption) that the Indemnitee is not entitled to indemnification under Sections 1 or 2 hereof. The Company shall notify the Indemnitee promptly in writing following such determination. Any evidence rebutting the Indemnitee's presumption, to which the Board gave weight in arriving at its determination, shall be disclosed to the Indemnitee with particularity in such

written notice. Notwithstanding anything to the contrary contained in the three preceding sentences, if the Board determines that it cannot act on the request for indemnification submitted by the Indemnitee because a determination of entitlement cannot be made in the manner required by Section 1(c) hereof, the Board will act promptly to retain independent legal counsel or convene a meeting of the Stockholders to act on the request.

(b) Expense Advancement Procedures. For purposes of determining whether to authorize advancement of expenses pursuant to the second sentence of Section 1(d) hereof or Section 2(b) hereof, the Indemnitee shall be required to submit to the Board a sworn statement of request for advancement of expenses substantially in the form of Exhibit 2 hereto (the "Undertaking"), averring that (i) he has incurred or will incur actual expenses in defending a civil, criminal, administrative, or investigative action, suit, or proceeding, and (ii) he undertakes to repay such amount if it shall be determined ultimately that he is not entitled to be indemnified by the Company under this Agreement or otherwise. Within 30 calendar days after receipt of the Undertaking, the Board shall authorize payment of the expenses described in the Undertaking, whereupon such payments shall be made promptly by the Company. No security shall be required in connection with any Undertaking, and any Undertaking shall be accepted without reference to the Indemnitee's ability to make repayment.

(c) Selection of Counsel. In the event the Company shall be obligated under this Section 4 to pay the expenses of any action, suit, or proceeding against the Indemnitee, the Company shall be entitled to assume the defense of such proceeding, with counsel acceptable to and approved by the Indemnitee, upon the delivery to the Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by the Indemnitee, and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of separate counsel subsequently incurred by the Indemnitee with respect to the same action, suit, or proceeding; provided, however, that if (i) the employment of counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of any such defense, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the Indemnitee may select and employ his own counsel to direct the defense thereof and the fees and expenses of such counsel shall be paid by the Company. Notwithstanding any assumption of the defense of any such action, suit, or proceeding and employment of counsel with respect thereto by the Company in accordance with the foregoing, the Indemnitee shall have the right to employ his own separate counsel to participate in any such action, suit, or proceeding at the Indemnitee's expense.

#### 5. Corporate Approval.

The Company represents and warrants to the Indemnitee that: (i) the Company has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder; (ii) this Agreement and the performance of all of the Company's obligations hereunder have been approved by all corporate action required on the part of the Company under the Charter, the By-Laws, or applicable law or contract; and (iii) this Agreement, when executed, will constitute the valid and legally binding obligation of the Company, enforceable against the

Company in accordance with its terms, subject to any applicable bankruptcy law and equitable limitations.

6. Fees and Expenses of Enforcement.

It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit, or proceeding designed (or having the effect of being designed) to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder, or other person affiliated with the Company, in any jurisdiction. The Company shall, to the fullest extent permitted by law, indemnify the Indemnitee against any and all expenses, including without limitation attorneys' fees and expenses, and, if requested by the Indemnitee, shall advance, to the extent not prohibited by law, such expenses, actually and reasonably incurred by the Indemnitee (i) as a result of the Company's failure to perform this Agreement or any provision hereof, or (ii) as a result of the Company or any person contesting the validity or enforceability of this Agreement or any provision hereof.

7. Maintenance of Insurance and Self Insurance.

(a) The Company represents that as of the date of the execution hereof it has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

<u>Insurer</u>	<u>Summary</u>	<u>Policy No.</u>	<u>Amount</u>	<u>Deductible</u>
Chubb Group of Insurance Companies	Primary Policy	8169-1712	\$10,000,000	\$250,000
Monitor/Berkley	Excess Layer 1	11110617	\$5,000,000	
Continental Casualty	Excess Layer 2	425541307	\$5,000,000	
Old Republic	Side A DIC	CUG 35013	\$5,000,000	

Subject only to the provisions of Section 7(b) hereof, the Company hereby agrees that, so long as the Indemnitee shall continue to serve as a director or officer of the Company (or shall continue at the request of the Company to serve as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise) and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, or investigative, by reason of the fact that the

Indemnitee was a director or officer of the Company (or served in any of said other capacities), the Company will purchase and maintain in effect for the benefit of the Indemnitee one or more valid, binding, and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) The Company shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of the Company, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage, or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

8. Reorganizations.

In the event that the Company shall be a constituent corporation (including any constituent of a constituent) in a merger, reorganization, consolidation, combination, or similar transaction, the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto the surviving, resulting, or acquiring corporation to expressly assume and adopt this Agreement and to agree to indemnify the Indemnitee to the full extent provided in this Agreement. Whether or not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

9. Nonexclusivity, Survival, and Subrogation.

(a) Nonexclusivity. The rights to indemnification and advancement provided by this Agreement shall not be exclusive of any other rights to which the Indemnitee may be entitled under the Charter, the By-Laws, the DGCL, any other statute, insurance policy, agreement, vote of stockholders or of directors, or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such office.

(b) Survival. The provisions of this Agreement shall survive the death, disability, or incapacity of the Indemnitee or the termination of the Indemnitee's service as an officer, director, employee, or agent of the Company, and shall inure to the benefit of, and be enforceable by, the Indemnitee's heirs, executors, guardians, administrators, or assigns.

(c) Subrogation. In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent thereof to all rights of recovery previously vested in the Indemnitee, who shall cooperate with the Company, at the Company's expense, in executing all such instruments and taking all such other actions as shall be reasonably necessary for the Company to enforce such right or as the Company may reasonably request.

10. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

11. Miscellaneous.


- (a) This Agreement shall become effective as of the Effective Date.
- (b) This Agreement contains the entire agreement of the parties relating to the subject matter hereof.
- (c) Any provision of this Agreement may be amended or waived only if such amendment or waiver is in writing and signed, in the case of an amendment, by both parties hereto or, in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by either party in exercising any right, power, or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power, or privilege.
- (d) If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.
- (e) Nothing contained in this Agreement is intended to create in the Indemnitee any separate or independent right to continued employment by the Company.
- (f) This Agreement may be executed in counterparts, with executed signature pages deliverable by email or fax transmission, but all such counterparts taken together shall constitute one and the same Agreement.
- (g) The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than limitation. The use of the word "or" in this Agreement is intended to be conjunctive rather than disjunctive.


[Signature page follows]



IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the date first above written.

MAGELLAN PETROLEUM CORPORATION

By:   
\_\_\_\_\_  
J. Thomas Wilson  
President and Chief Executive Officer  
Executed: August 28, 2012

  
\_\_\_\_\_  
Milam Randolph Pharo  
Indemnitee  
Executed: August 28, 2012

Indemnification Statement

STATE OF )  
 ) ss.  
COUNTY OF )

I, \_\_\_\_\_, being first duly sworn, do depose and state as follows:

1. This Indemnification Statement is submitted pursuant to the Indemnification Agreement, dated November 30, 2011 between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and the undersigned.

2. I am requesting indemnification against expenses (including, without limitation, attorneys' fees and expenses), costs, judgments, damages, fines, and amounts paid in settlement, all of which (collectively, "Liabilities") have been or will be actually and reasonably incurred by me in connection with an actual or threatened action, suit, or proceeding to which I was or am a party or am threatened to be made a party.

3. With respect to all matters related to any such action, suit, or proceeding, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have arisen or may arise out of \_\_\_\_\_  
\_\_\_\_\_.

INDEMNITEE  
\_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Seal]

My commission expires the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Undertaking

STATE OF )  
 ) ss.  
COUNTY OF )

I, \_\_\_\_\_, being first duly sworn, do depose and state as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated November 30, 2011, between Magellan Petroleum Corporation, a Delaware corporation (the "Company"), and the undersigned.

2. I am requesting advancement of certain expenses (including, without limitation, attorneys' fees and expenses) which I have incurred or will incur in defending a civil, criminal, administrative, or investigative action, suit, or proceeding.

3. I hereby undertake to repay this advancement of expenses if it shall ultimately be determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

4. The expenses for which advancement is requested are, in general, all expenses related to \_\_\_\_\_.

INDEMNITEE  
\_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Seal]

My commission expires the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.





Magellan Petroleum Corporation  
www.magellanpetroleum.com  
1775 Sherman Street, Suite 1950, Denver, CO 80203  
O: 720.570.3858 / F: 720.570.3859

September 7, 2012

Nikolay V. Bogachev  
Moscow, Russia

Via Email

RE: 2009 Tax Return

Dear Nikolay:

The purpose of this letter is to memorialize our recent communications concerning the timing and mechanics for the filing of your 2009 Federal Tax Return (the "Tax Return") and the funding by Magellan Petroleum Corporation ("Magellan") of the amount due under the Tax Return attributable to the 2009 sale to Magellan by your White Bear LLC of an interest in Nautilus Poplar (the "Funding Amount"). This letter is also meant to memorialize our understanding of how Magellan will treat the funding.

The Tax Return will be ready for filing on or before 3:00 p.m.MDT on Monday, September 10, 2012. You shall provide Magellan the exact amount of the Funding Amount no later than two hours prior to the time you intend to file the Tax Return. You have represented that the Funding Amount is approximately \$330,000. Magellan shall provide to a person in Denver designated by you a check to the Internal Revenue Service for the Funding Amount, and a representative of Magellan and the foregoing person will jointly deliver the Tax Return and the Funding Amount at the offices of the Internal Revenue Service, 1999 Broadway, 17<sup>th</sup> Floor, Denver, Colorado 80202, so that a receipt file stamped copy of the Tax Return will be provided to you and Magellan.

Magellan will treat the Funding Amount as compensation for extraordinary consulting and advisory services and other benefits provided by you to Magellan in 2012, over and above your services as a member of the Board of Directors of Magellan, which services were rendered while you were in Europe. Accordingly, you have represented that no federal withholding taxes are due from the Funding Amount because none of the compensation provided in the Funding Amount represents income earned in the United States. The Board of Magellan has approved the payment and such treatment of the Funding Amount. In addition, within 30 days of Magellan's request, you will prepare and sign any additional IRS forms reasonably necessary or required to document the lack of withholding, including the preparation of a time log or other document to substantiate your representation regarding income earned outside of the United States.

If this accurately represents your understanding of our recent communications, please indicate your agreement by your signature below.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Thomas Wilson", written over a horizontal line.

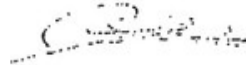
J. Thomas Wilson  
President and CEO

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Nikolay V. Bogachev

If this accurately represents your understanding of our recent communications, please indicate your agreement by your signature below.

Sincerely yours,



J. Thomas Wilson  
President and CEO



Nikolay V. Bogachev





**CERTIFICATIONS**

I, J. Thomas Wilson, certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A of Magellan Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

By: /s/ J. Thomas Wilson

John Thomas Wilson, President and Chief Executive Officer  
(as Principal Executive Officer)

Date: February 15, 2013

**CERTIFICATIONS**

I, Antoine J. Lafargue, certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A of Magellan Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

By: /s/ Antoine J. Lafargue

Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer  
(as Principal Financial and Accounting Officer)

Date: February 15, 2013