



MAGELLAN PETROLEUM CORPORATION ANNOUNCES SECOND QUARTER RESULTS

Portland, Maine, February 23, 2009 -- Magellan Petroleum Corporation (NASDAQ: MPET) (ASX: MGN) reported a consolidated net loss of \$525,000 (\$.01 per share) on gross revenues of \$5.2 million in its fiscal second quarter ended December 31, 2008, as compared to a net loss of \$10.8 million (\$.26 per share) on revenues of \$10.4 million in last year's second quarter.

For the six-month period ended December 31, 2008, the Company reported net income of \$1.0 million (\$.02 per share) on \$15.6 million in revenues, compared to a net loss of \$11.3 million (\$.27 per share) on revenues of \$20 million in the prior period last year.

Magellan's President and Chief Executive Officer, William H. Hastings said "We are adversely affected by the world's economic slowdown and resulting weakness in energy markets. Magellan continues to face challenges in 2009; we are actively addressing these issues. Our Company has oil and gas reserves "available" in good markets where energy supply is needed. We have a debt-free capital base, and are working to access more capital in equity markets" Hastings also said, "We recently announced that Magellan has entered into a definitive securities purchase agreement with Young Energy Prize S.A. ("YEP"), a Luxembourg corporation, providing for a \$10 million equity investment in our Company. This is the first step toward Magellan's growth plan."

The Company's base Mereenie gas contract expires in June 2009. Mereenie gas sales were approximately \$6.0 million (net of royalties) or 84% of total gas sales for the six months ended December 31, 2008. The Mereenie Producers have been advised by PWC, the purchaser of all Mereenie

gas production that the development of the Blacktip gas field has been delayed and there is the likelihood that the first gas from that field may not be available until the third or possibly fourth quarter of 2009. Nominations under a second Mereenie contract, backing up Blacktip, have now been made through the end of 2009. The Company is actively pursuing further gas sales arrangements and ventures for its remaining Mereenie and Palm Valley reserves.

Depletion, depreciation and amortization costs for the 2008 quarter and six month period were down \$2.3 million and \$4.2 million over the 2007 periods due to lower depletable costs, mostly in Nockatunga as depletion is greater than new spending and the decrease in the average exchange rate from the prior periods.

Statements in this press release which are not historical in nature are intended to be, and are hereby identified as, forward looking statements for purposes of the "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. The Company cautions readers that forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward looking statements. Among these risks and uncertainties are pricing and production levels from the properties in which the Company has interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits and faces the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. The Company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

Comparative, consolidated results for the three and six month periods are shown in the following consolidated statements of operations:

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MAGELLAN PETROLEUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DECEMBER 31,		DECEMBER 31,	
	2008	2007	2008	2007
REVENUES:				
Oil sales	\$ 1,832,005	\$ 4,887,721	\$ 7,477,592	\$ 9,620,541
Gas sales	2,999,857	4,772,980	7,308,929	8,762,164
Other production related revenues	<u>340,422</u>	<u>713,280</u>	<u>824,447</u>	<u>1,313,209</u>
Total revenues	<u>5,172,284</u>	<u>10,373,981</u>	<u>15,610,968</u>	<u>19,695,914</u>
COSTS AND EXPENSES:				
Production costs	1,279,944	2,525,231	4,266,806	4,623,257
Exploration and dry hole costs	543,977	724,117	1,267,377	2,737,591
Salaries and employee benefits	347,793	375,840	813,985	820,349
Depletion, depreciation and amortization	2,060,331	4,365,856	4,561,281	8,774,220
Auditing, accounting and legal services	422,329	321,052	689,799	558,103
Accretion expense	119,861	176,180	278,276	346,388
Shareholder communications	122,593	154,222	213,172	201,288
Loss (gain) on sale of field equipment	15,367	(17,304)	11,861	(26,957)
Other administrative expenses	<u>524,181</u>	<u>771,732</u>	<u>1,293,250</u>	<u>1,641,645</u>
Total costs and expenses	<u>5,436,376</u>	<u>9,396,926</u>	<u>13,395,807</u>	<u>19,675,884</u>
Operating (loss) income	(264,092)	977,055	2,215,161	20,030
Interest income	<u>460,375</u>	<u>569,862</u>	<u>1,088,544</u>	<u>1,059,079</u>
Income before income taxes	196,283	1,546,917	3,303,705	1,079,109
Income tax provision	<u>(720,977)</u>	<u>(12,327,026)</u>	<u>(2,320,588)</u>	<u>(12,333,664)</u>
NET (LOSS) INCOME	<u>\$ (524,694)</u>	<u>\$ (10,780,109)</u>	<u>\$ 983,117</u>	<u>\$ (11,254,555)</u>
Average number of shares outstanding				
Basic	<u>41,500,325</u>	<u>41,500,325</u>	<u>41,500,325</u>	<u>41,500,325</u>
Diluted	<u>41,500,325</u>	<u>41,500,325</u>	<u>41,500,325</u>	<u>41,500,325</u>
NET (LOSS) INCOME PER SHARE (BASIC AND DILUTED)	<u>\$ (0.01)</u>	<u>\$ (0.26)</u>	<u>\$ 0.02</u>	<u>\$ (0.27)</u>