ABN 72 083 254 308

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CENTRAL PETROLEUM PURCHASES MAGELLAN'S AUSTRALIAN ONSHORE ASSETS FOR $35 MILLION

- Palm Valley and Dingo fields purchased for consideration of $20 million and around 39.5 million shares in Central providing the means to shift Central from explorer to multi-field producer in both oil & gas markets
- The $20 million cash component fully funded by loan facility from Macquarie Bank which is serviced by production revenue from the acquired assets
- In addition to existing producing reserves, the acquisition includes significant in-place compression, processing and transportation infrastructure and 6 producible wells
- Development finance for Dingo Field secured and funded by project revenues

Central Petroleum Ltd (**ASX:CTP**) ("Company" or "Central") today announced it has signed an agreement to purchase the material onshore assets of Magellan Petroleum Australia ("MPA") consisting primarily of the Palm Valley and Dingo fields near Alice Springs for $35 million. The consideration will be paid as $20 million cash and approximately 39.5 million shares in Central to MPA. Central will issue the shares and pay $15 million of the $20 million cash on completion. The balance of $5 million is due to be paid on 15th April 2014.

The acquisition also includes the significant in-place compression, processing and transportation infrastructure, 4 producing wells at Palm Valley and 2 existing wells ready for production at Dingo Field.

Central Petroleum Managing Director, Richard Cottee said, "The acquisition provides Central with infrastructure and production revenues, and synergies between its Surprise production and Palm Valley production which can also be utilised to support any exploration success in the future. As part of the acquisition Central will be offering employment to employees of MPA".

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Necessary third party consents have to be obtained before completion. The agreement is also subject to the usual financing provisions that a material adverse change event does not occur before completion. Completion is scheduled to occur in the beginning of March 2014 but must occur before 31st March 2014.

The cash component is to be paid out of a loan facility with Macquarie Bank. The Macquarie Bank Facility comprises of $20 million for the acquisition and $30 million for the development of the Dingo Field and construction of a 50km export pipeline to Alice Springs in order to service a gas sale contract with Power and Water Corporation of the Northern Territory. Details of this contract were announced by Magellan Petroleum Corporation ("MPC") – the ultimate parent of MPA in the attached release. Importantly, however, this pipeline will be owned by the Company and available for transporting future gas reserves which the Company hopes will result from its current and significant exploration activity in the Amadeus Basin. The Macquarie Bank Facility requires Central to grant 15 million unlisted Central Petroleum options to Macquarie Bank, 6 million of which will be granted on completion. The options have an exercise price of $0.50 with an exercise period of 30 months. On completion MPA has the right to nominate a director to Central's board.

The Palm Valley and Dingo Field reserves, derived under the SEC rules required by the NASDAQ rather than the SPE-PRMS rules required by the ASX, have been reported by MPC on pages 12 and 13 of their 2013 Annual Report which can be found at their website (http://ir.magellanpetroleum.com/ar).

Mr Cottee said, "Our base case for the acquisition gives an Equity IRR (geared) of 19% on the assumption that current BBSW interest rates remain constant, current contracted volumes and price for Palm Valley remain constant, no new gas contracts are entered into from the Dingo Field and no optimisation or de-risking occurs. Central has already identified a range of optimisation and market strategies that could materially enhance this return. Following completion of the Dingo Field, free cash flow from the project will provide the Company with a significant source of organic capital. Combined with the soon to be producing Surprise Oil Field, this will contribute toward our exploration strategy for Central Australia.

"This integrated set of agreements creates a 'step-change' for Central by providing the means to shift from explorer to multi-field producer in both oil & gas markets.

"This is an exciting phase of our Company's development in the interests of our shareholders, the Northern Territory and the Traditional Owners of Central Australia", said Richard Cottee.

“We see enormous potential for further gas in Central Australia at increasing profitability. Over time Central looks forward to playing an important role in inter-connecting Central Australia to the Eastern seaboard gas network possibly through Moomba. It is pleasing to note MPA’s participation in Central Petroleum as a shareholder which demonstrates their view of the bright future of these fields and Central Petroleum’s surrounding acreage. We look forward to benefiting from the talents and experience of Mr J. Thomas Wilson (the person nominated by MPA and is the President of MPC), on our board” he said.

References to $ above are to Australian Dollars.

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General Disclaimer and explanation of terms:

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September 12, 2013

Magellan Signs Long-Term Gas Sale Contract for Dingo Field in Northern Territory, Australia

DENVER, Sept. 12, 2013 /PRNewswire/ -- Magellan Petroleum Corporation ("Magellan" or the "Company") (NASDAQ: MPET) today announced that on September 12, 2013, the Company through its indirect subsidiary, Magellan Petroleum Corporation (NT) Pty Ltd ("MPNT"), signed a gas supply and purchase agreement (the "Dingo GSPA") with Northern Territory Power and Water Corporation ("PWC") for the long-term sale of gas from the Company's Dingo gas field. Pursuant to the Dingo GSPA, the Company has contracted to supply up to 31 PJ (30 Bcf) of gas to PWC on a 100% take-or-pay basis over a 20-year supply period. The Company's supply obligation is expected to begin in early calendar year 2015 at a fixed price escalating with Australian CPI. The Dingo GSPA has been approved by the boards of directors of both PWC and Magellan. The Dingo GSPA is subject to certain customary conditions, including the Company successfully obtaining all regulatory approvals and constructing facilities necessary for commissioning the Dingo field for commercial gas production.

With this long term contract now in place, the Company will use the time before the commencement of gas supply to design, construct, and commission the surface facilities and tie-in pipeline necessary for the production and delivery of Dingo's gas. Currently, the Company is undertaking the front-end engineering and design ("FEED"), which is a continuation of work performed during the pre-FEED stage in fiscal year 2013, and which is expected to take approximately six months to complete. Gas volumes are expected to be produced from three wells drilled at Dingo in the 1980s and 1990s, two of which have since been temporarily shut-in, and which are expected to be capable of producing gas volumes sufficient to meet the delivery requirements under the Dingo GSPA. Concurrently with the FEED work, the Company will be applying for various regulatory approvals necessary for constructing the Dingo facilities and pipeline and commissioning Dingo for commercial gas production. The Company expects to receive all approvals by the summer of 2014 and intends to begin construction of the pipeline and facilities immediately thereafter.

J. Thomas Wilson, President and CEO of Magellan, stated, "Contracting for the sale of a substantial portion of Dingo's gas resources is yet another milestone achieved in our strategy of proving up the value of the Company's assets. Dingo's reserves potential was established nearly 25 years ago through a four-well exploratory program, but, with no customer, the field has since been left dormant. We will work vigorously to achieve the regulatory approvals and commissioning of Dingo as quickly as possible, and we look forward to working once again with PWC, who has been a valued customer of Magellan at our Palm Valley gas field over the past three decades.

"We believe we have now achieved the key milestones of our strategy for our Amadeus Basin assets, onshore Australia: we completed an asset swap with Santos in September 2011 to consolidate our interests in Palm Valley and Dingo and received $25 million in cash, we contracted most of Palm Valley's remaining gas reserves to Santos in September 2011 under a long-term contract, and now we have contracted up to 30 Bcf of Dingo's gas reserves with PWC. Following on the Company's initiation of the CO_2-EOR pilot program at Poplar announced on August 12, 2013, we remain focused on executing the other key milestones of our strategy to increase net asset value per share."

CAUTIONARY INFORMATION ABOUT FORWARD LOOKING STATEMENTS

Statements in this press release, including forecasts or projections that are not historical in nature, are intended to be, and are hereby identified as, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "anticipate", "assume", "believe", "budget", "estimate", "expect", "forecast", "intend", "initial", "plan", "project", and similar expressions are intended to identify forward looking statements. These statements about the Company may relate to its businesses and prospects, planned capital expenditures, increases or decreases in oil and gas production and reserves, revenues, expenses, operating cash flows, and borrowings, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Among these risks and uncertainties are the following: successfully restoring production from the wells at the Dingo field; the results of the FEED study; our ability to receive regulatory approvals and to construct the Dingo facilities in a timely manner; uncertainties inherent in projecting future rates of production from drilling and completion activities at the Dingo field; the uncertainty of drilling and completion conditions and results; the availability and cost of drilling, completion, and operating equipment and services; and other matters discussed in the "Risk Factors" section of the Company's most recent Annual Report on Form 10K and most recent Quarterly Report on Form 10Q. Any forward-looking information provided in this report should be considered with these factors in mind. The Company assumes no obligation to update any forward-looking statements contained in this report, whether as a result of new information, future events, or otherwise.

ABOUT MAGELLAN

Magellan Petroleum Corporation is an independent oil and gas exploration and production company with assets in the US, Australia, and the UK. The Company is primarily focused on the development of a CO_2-enhanced oil recovery ("CO_2-EOR") program at Poplar Dome in eastern Montana. Historically active in Australia, Magellan operates two gas fields onshore Northern Territory and an exploration block in the Bonaparte Basin, offshore

Northern Territory. Magellan also maintains a large acreage position onshore the UK prospective for unconventional shale oil and gas production. Magellan is headquartered in Denver, Colorado. The Company's mission is to enhance shareholder value by maximizing the full potential of existing assets. Magellan routinely posts important information about the Company on its website at www.magellanpetroleum.com.

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