

Investor Presentation

NASDAQ: MPET

February 2015



Forward Looking Statements

This presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events, or developments with respect to our financial condition, results of operations, or economic performance that we expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward looking statements. The words "anticipate," "assume," "believe," "budget," "expect," "forecast," "initial," "plan," "potential," "project," "will," and similar expressions are intended to identify forward looking statements. These forward looking statements about the Company and its subsidiaries appear in a number of places in this presentation and may relate to statements about our businesses and prospects, planned capital expenditures, availability of liquidity and capital resources, increases or decreases in oil and gas production, the acquisition or disposition of oil and gas properties and related assets, the ability to enter into acceptable farmout arrangements, revenues, expenses, operating cash flows, borrowings, and other matters that involve a number of risks and uncertainties that may cause actual results to differ materially from results expressed or implied in the forward looking statements.

These risks and uncertainties include the following: the uncertainties associated with our planned CO2-EOR program at Poplar, including uncertainties about the technical and economic viability of CO2-EOR techniques at Poplar, drilling results from the recently initiated pilot project, the results of CO2 injection, including the ability to sustain CO2 pressures at sufficient effective levels to sweep the oil across the formation to production wells, and our ability to acquire a long term CO2 supply for the program; uncertainties regarding the ability to realize the expected benefits from the sale of the Amadeus Basin assets to Central pursuant to the Sale Deed, including through the future value of Central's stock and through uncertain estimates of annual savings in general and administrative expenses; our ability to attract and retain key personnel; the likelihood of success of a water shut-off program at Poplar; our limited amount of control over activities on our operational properties; our reliance on the skill and expertise of third party service providers; the ability of our vendors to meet their contractual obligations; the uncertain nature of the anticipated value and underlying prospects of our UK acreage position; government regulation and oversight of drilling and completion activity in the UK, including possible restrictions on hydraulic fractures that could affect our ability to develop unconventional resource projects in the UK; the uncertain nature of oil and gas prices in the US, UK, and the Australia; uncertainties inherent in projecting future rates of production from drilling and CO2-EOR activities; the uncertainty of drilling and completion conditions and results; the availability of drilling, completion, and operating equipment and services; the results and interpretation of 2-D and 3-D seismic data related to our NT/P82 interest in offshore Australia; and our ability to obtain an attractive farmout arrangement; and other matters discussed in the Risk Factors sections of the Company's most r

Note on Reserves

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible - from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations - prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. In this presentation, the Company refers to estimates of reserves, resources, or recovery "potential", original oil in place ("OOIP"), or other descriptions of oil and gas volumes potentially recoverable, which SEC rules prohibit from being included in SEC fillings. Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations (subject to other conditions). Resources are quantities of oil and gas and related substances estimated to exist in naturally occurring accumulations. Estimates of reserves, resources, and recovery "potential", OOIP, and other descriptions of oil and gas volumes potentially recoverable are by their nature more uncertain than estimates of proved reserves are by their nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company.

The Company



- Independent upstream oil and gas company based in Denver
- Focused on development of CO₂-enhanced oil recovery projects in the Rocky Mountain region



Poplar Dome (Montana)

- 50 MMbbls reserve potential from CO₂-EOR project
- PDP from primary production: 228 net bopd
- Other upside from stacked formations

Farnham Dome (Utah)

- Naturally occurring CO₂ source in Carbon County Utah
- Own an option to acquire
 FD or FD's CO₂

Legacy Assets (Int'l)

- UK: Weald Basin licenses
- Australia: Bonaparte Basin offshore license (NT/P82)
- Australia: 11% equity interest in Central Petroleum (ASX:CTP), an Amadeus Basin operator

The Company



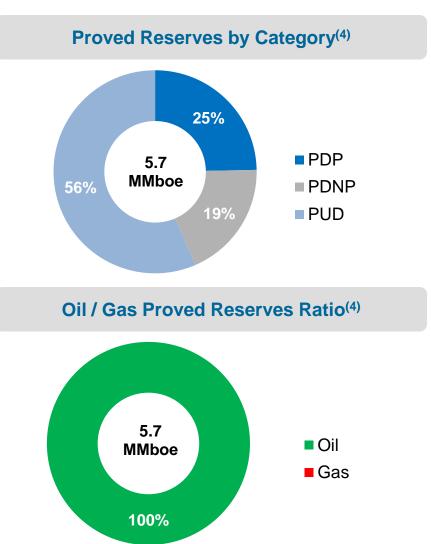
Market cap ⁽¹⁾	\$38 m
Cash and equivalents	\$7 m
Value of CTP shares ⁽²⁾	\$6 m
Debt	\$4 m
ARO	\$3 m
Preferred equity	\$25 m
Enterprise value ⁽³⁾	\$57 m

Proved reserves ⁽⁴⁾	5.7 Mmboe
PV-10 of proved reserves ⁽⁴⁾	\$87 m
Net production ⁽⁵⁾	228 bopd
EV/BOE of proved reserves	\$10
EV/BOE net daily production	\$248 k

Common shares outstanding	45.7 m
Institutional ownership(6)	23%
Insider ownership ⁽⁶⁾	10%

1. Based on 45.7 m basic shares outstanding and a NASDAQ closing share price of \$0.84 on Feb 13, 2015.

3. Equal to market cap plus debt plus ARO plus preferred equity less cash and liquid



investments.

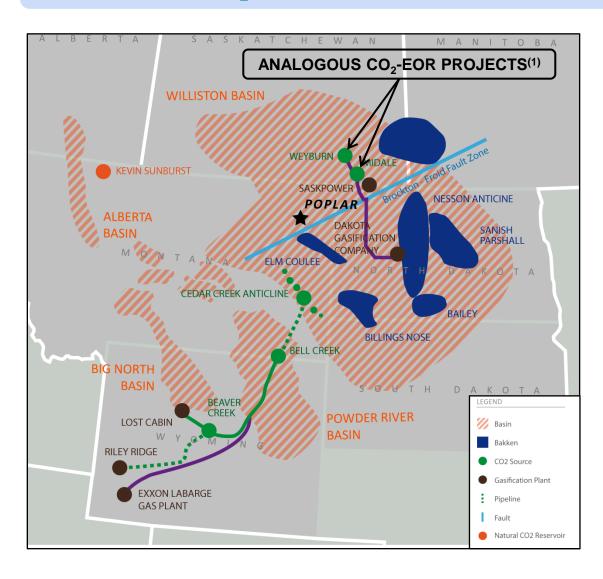
- 4. Reserves as of Jun 30, 2014.
- 5. Average US bopd for quarter ended Dec 31, 2014.
- 6. Per NASDAQ on Feb 13, 2015.

^{2.} Equal to Central common stock owned by the Company valued at \$6 m as of market close on Feb 13, 2015.

Poplar



CO₂-enhanced oil recovery project in progress



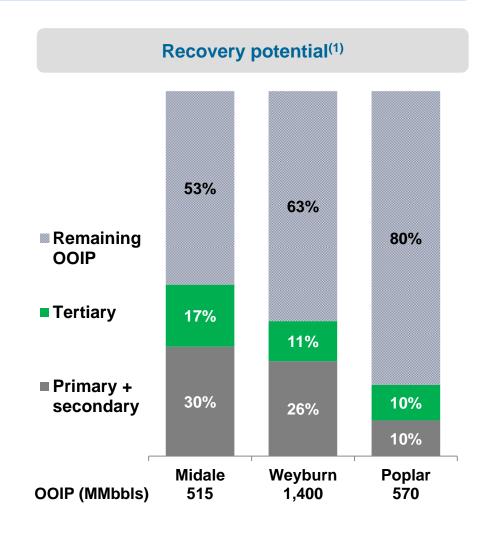
- 22,000 net acres (18,000 in federal unit)
- Covers Poplar Dome, the largest geologic structure in the western Williston Basin
- Substantially all of the acreage held by production
- CO₂-enhanced oil recovery project in progress – 50
 MMbbls reserve potential

Poplar CO₂-EOR Analogs



50 MMbbls incremental potential reserves at Poplar

- Poplar is analogous to Midale and Weyburn, two oil fields with highly successful CO₂-EOR projects in the Williston Basin
- Poplar produced ~52 MMboe since 1950's and with no production from a water flood⁽¹⁾
- 50 MMbbls estimated reserves potential at Poplar (10% recovery of estimated OOIP) from CO₂-EOR in line with analogs
- 50 MMbbls recovery from CO₂-EOR in line with industry rule of thumb that tertiary recovery should equal primary recovery



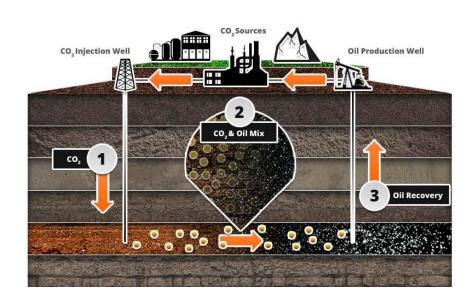
Poplar CO₂-EOR Milestones



Core Laboratories confirms miscibility
Pilot CO ₂ source & well permits secured
5 pilot wells drilled and surface facilities installed
Pilot CO ₂ injection begins
First oil and CO ₂ produced in pilot
Monitor production response and announce pilot results

Plan full field development

2015

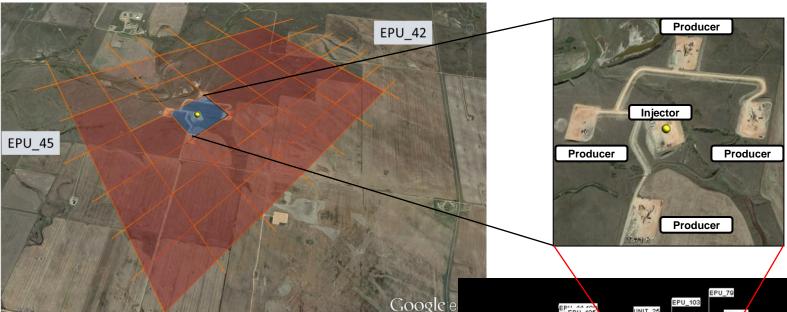


Full field development planning in process

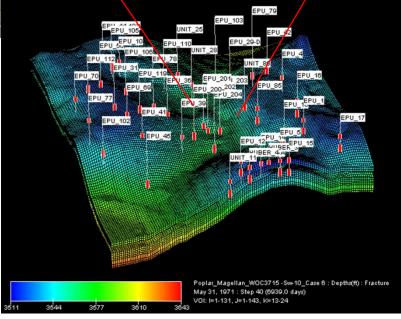
- Discussions with long-term CO₂ suppliers
- Preliminary phase 1 designs
- Economic modeling

Poplar CO₂-EOR Pilot





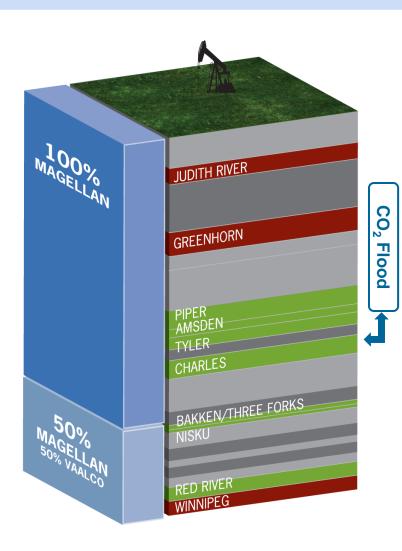
- Pilot designed to prove viability, collect data, and test multiple technologies
- Pilot project fully instrumented (tanks, pipes, pumps, wellhead, down hole) for live tracking and modeling
- 3D reservoir modeling to optimize performance



Poplar Stacked Formations



Several reserve development opportunities



Charles

- 52 MMboe produced to date
- CO₂-EOR: pilot project ongoing

Bakken / Three Forks

Prospective for oil production

Other development opportunities

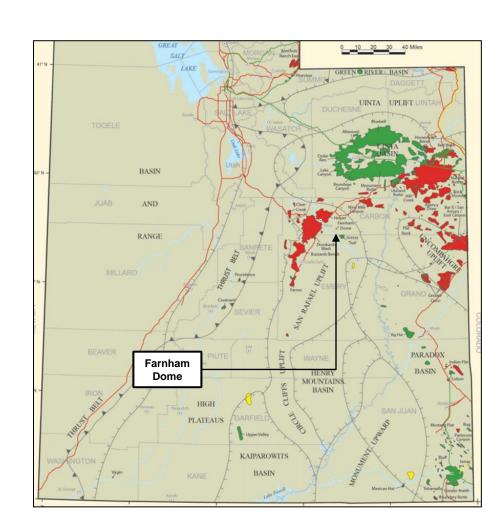
- Judith River: shallow gas opportunity
- Greenhorn: Cretaceous gas opportunity
- Amsden: oil pool discovery Jan '12
- Tyler: 4 current wells with additional potential
- Nisku: produced 200 Mbbls from 1 well between 1970 and 1990

Farnham Dome



Opportunity to build on CO₂-EOR expertise with control of a CO₂ source

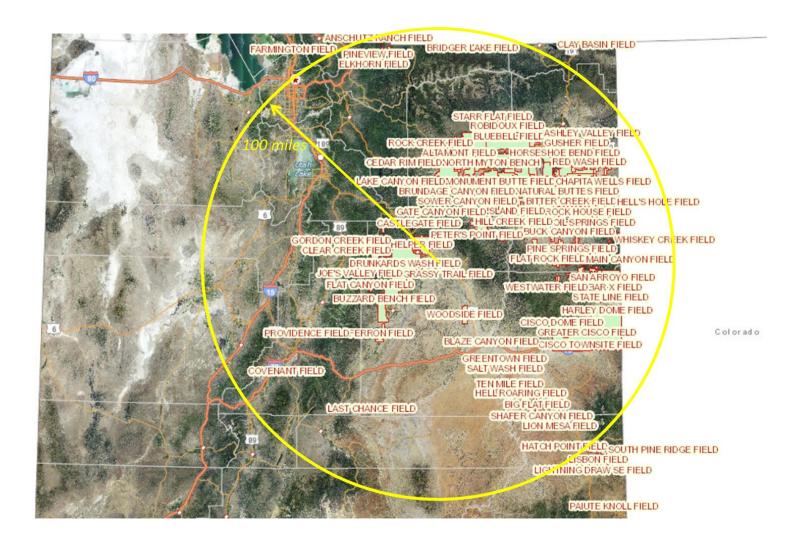
- Naturally occurring CO₂ reservoir in Carbon County, Utah (SW of Uinta Basin)
- Magellan has option (through 31 Mar) to either
 - Acquire Farhnam Dome; or
 - Purchase CO₂ from Farnham Dome at fixed price
- Low-cost source of CO₂
- Within economic distance of many oil projects that could benefit from CO₂-EOR
- Opportunity to
 - Utilize Magellan's expertise gained at Poplar on new projects
 - Vertically integrate in the CO₂-EOR space



Farnham Dome



Many potential off-takers of CO₂ within 100 miles of Farnham Dome

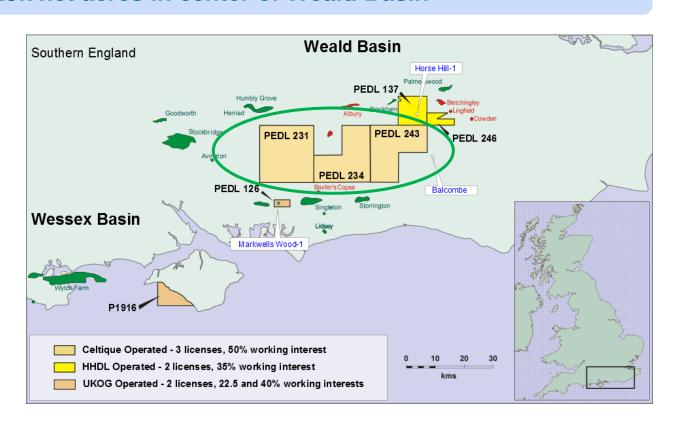


UK Weald Basin – Central Weald



125k net acres in center of Weald Basin

- 50% interest in 3 licenses – 125 k net acres
 - Operated by Celtique Energie
 - Licenses expire June 2016
- 1 exploratory well during 2015 (will hold 2 of the 3 licenses)
- Focus on oil prospects in the Upper Jurassic
- Encouraging results from offset well (Balcombe) drilled by Cuadrilla Resources in Sep 2013



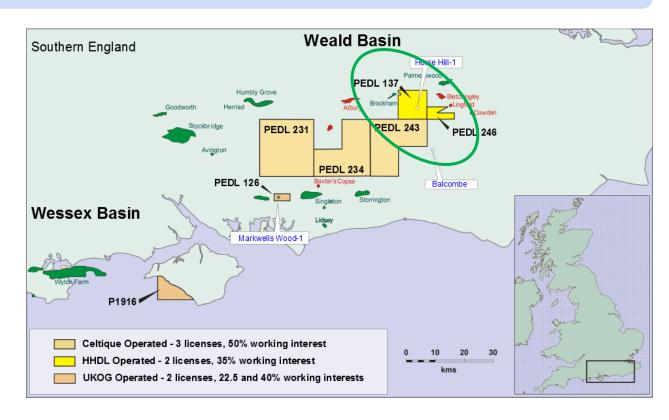
- British Geological Survey released estimates in May 2014 of hydrocarbon potential of Jurassic shale formations in Weald
 - Median estimated OIP of 4.4 billion bbls
 - Study did not assess potential of tight formations in basin

UK Weald Basin – Horse Hill



Operator reported a discovery in Upper Portland sandstone in Dec 2014

- Farm-out of PEDLs 137 and 246 to HHDL in Dec 2013
- Magellan carried 100% for first well in exchange for 65% interest
- Well reached TD in November 2014
- Oil shows in Portland Sandstone and Kimmeridge Clay
- Well to be put on production test

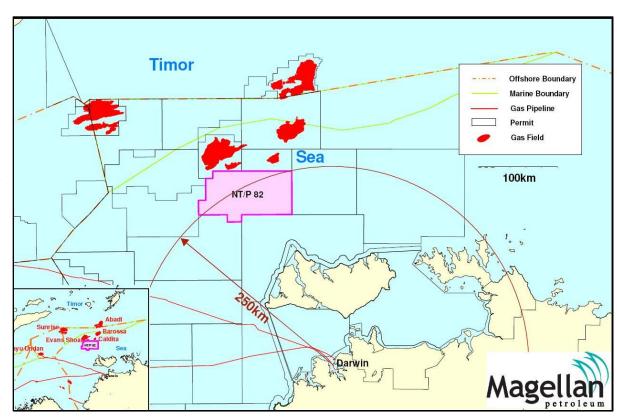


Australia Offshore – Bonaparte Basin



Large gas prospects to be farmed-out

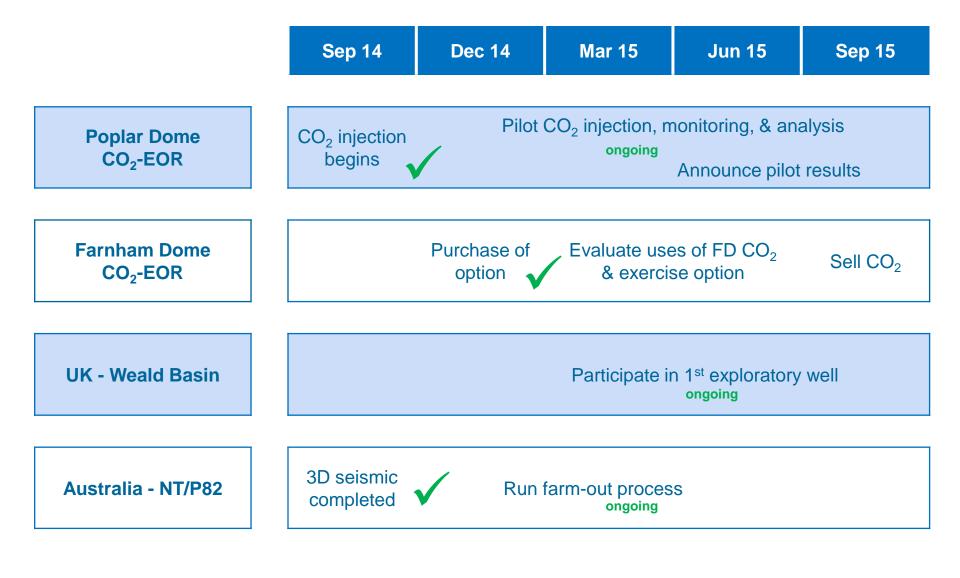
- 100% working interest
- 3D seismic completed
- 1-3 Tcf potential resource
- 1 exploration well required by May 2016
- Shallow water jack-up rig territory
- Active gas basin with recent history of successful farmouts



Active farm-out effort ongoing

Milestones

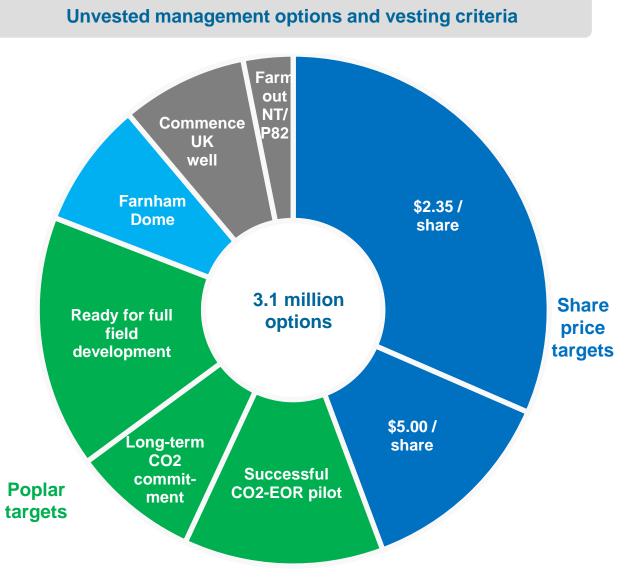




Alignment of Incentives

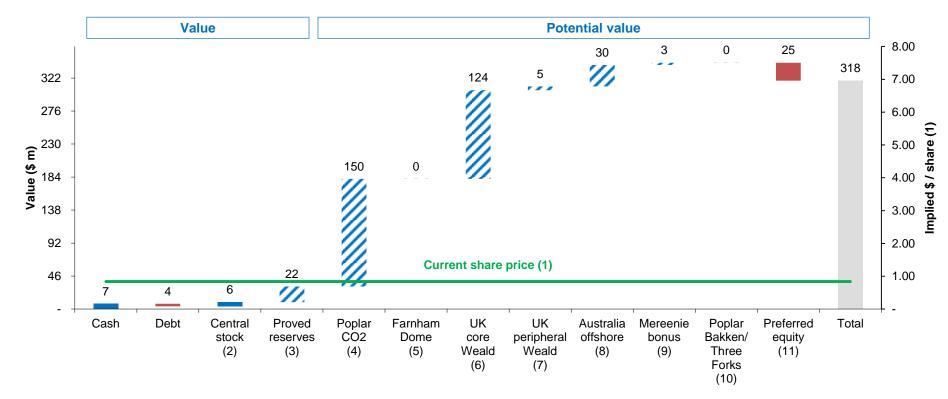


- Management incentive plans implemented in Oct 2013 and 2014
- Vesting criteria tied to:
 - share price performance
 - achieving the key elements of Magellan's strategic plan
- Aligns management with shareholders while preventing dilution if results not achieved



Illustrative NAV





- Assumes a share price of \$0.84 based on the closing price on Feb 13, 2015.
- Based on 39.5 m shares owned, a closing price of A\$0.19, and an AUD:USD exchange rate of 0.77 on Feb 13, 2015.
- Equal to a proved reserves value of \$87.0 m as at Jun 30, 2014, reduced by a 75% discount factor applied by Magellan to account for a high percentage of PUDs and lower oil prices.
- Based on estimated economically recoverable potential reserves of 50 MMboe from fullfield CO2-EOR development valued at \$3.00 per boe.
- 5. Nominal value assigned at this point.
- Equal to 124 k net acres (PEDLs 231, 234, and 243) times a value per acre of \$2,000 implied by recent comparable transactions in other onshore UK basins prospective for unconventional development and a discount factor of 50%.

- Equal to 9 k net acres (Magellan's net interest in PEDL 137) times a value per acre of \$600, which is the implied value per acre realized by Angus in the recent sale of a portion of its interest in Horse Hill Development Limited, which owns a 65% interest in PEDL 137.
- Value implied by the estimated cost of an exploratory well of \$30 million and the retention by Magellan of a 50% interest in the block post farm-out.
- 9. Equal to the value of the first bonus tranche of A\$5.0 million times an AUD:USD exchange rate of 0.77 on Feb 13, 2015, and adjusted by a 10% discount factor for two years to account for expected timing of receipt within that time.
- 10. Nominal value assigned at this point.
- 11. Value as at Dec 31, 2014.

Disclaimer

The analysis presented by this slide represents Management's estimate of values based upon the methodology presented by each footnote. As estimates, these values are uncertain by their nature, and the accuracy of such estimates is dependent upon many variables. Also, there are risks inherent in the oil and gas business that make these estimates additionally uncertain. Management does not warrant that all of these risks or uncertainties have been taken into consideration. The Company is not making any representation as to the value that will be realized by the Company for any asset.

Why Invest Now?



Timing

Various operational milestones expected to be achieved over the next 6 to 12 months

Value

- Poplar could yield 50 MMbbls of incremental potential reserves
- Farnham Dome represents new line of business based on existing expertise
- Large option value in the international legacy portfolio (UK and Australia)

Execution

- New management executing according to the strategic plan set forth
- Alignment of management's incentives with strategic plan and shareholder value



Appendices

Experienced Leadership



Robin West (66) - Chairman

- Founder of PFC Energy
- Former Reagan Administration Assistant Secretary of the Interior (1981-83), responsible for U.S. offshore oil policy
- Member of National Petroleum Council and Council on Foreign Relations
- Director of Key Energy Services and formerly of Cheniere Energy

Tom Wilson (61) - President and CEO

- Former President of KMOC and Anderman International
- Former First Vice President and director of Young Energy Prize
- Previously, led new international strategy for Apache and served as a Project Manager for Shell Oil

Antoine Lafargue (40) – SVP – Strategy, BD, and Chief Commercial Officer

- Former CFO of Falcon Gas Storage based in Houston, TX
- Previously, a principal with Arcapita, a private equity fund, focused on the energy and infrastructure sectors
- Previously held investment banking positions with DLJ/Credit Suisse and Bank of America

Matthew Ciardiello (32) – VP – CFO, Treasurer, and Corporate Secretary

- Former Manager of Financial Planning and IR at Magellan
- Previously, an associate with Mubadala Development Company, an Abu Dhabi sovereign wealth fund
- Previously, an associate with Arcapita, a private equity fund, focused on the energy and infrastructure sectors

One Stone Convertible Preferred



Allows for increase in net asset value per share

 On May 17, 2013, Magellan issued 19.2 m shares of convertible preferred stock to One Stone Energy Partners, a NY based private equity fund for \$23.5 m

Rationale

- Allows Magellan to pursue strategy from position of financial strength, including:
 - CO₂-EOR pilot
 - UK exploratory well(s)
 - Other development
- Most appropriate financing option on attractive terms
 - Conversion price at 20% premium to 10-day avg
 - No warrants
 - No underwriting or capital advisory fees
 - Non-core assets not ready for divestiture at that time
- New financial and strategic partner in One Stone
 - Extensive industry expertise
 - Appointed two industry veterans to board

Key Terms⁽¹⁾

- Conversion premium: Conversion price of \$1.22
 - 20% over 10 day moving average at the time of issuance
 - 22% over Sopak repurchase price in Jan 2013
- Dividend: 7.0% per annum paid in cash or PIK
- Forced conversion/Redemption: After three years MPET can force conversion at \$2.44 / share or more or repurchase in cash at the greater of the common share trading price at the time or 20% IRR
- Board: 2 board members not subject to common shareholder vote
- Minority rights: One Stone to hold veto rights with respect to capex outside of budget, related party transactions, and certain changes to board size

UK Unconventional Farm-outs



- Recent transactions show increased interest in the potential development of UK shale basins
- Most recent transaction involving Total marks entry of the first Major into the UK shale play

Recent Transactions						
Buyer	Seller	Date	Exploratory stage prior to deal	Terms	Value / acre	Applied to MPET's acreage ⁽¹⁾
TOTAL	IGas Energy	1/13/2014	 59,000 acres Limited exploration/data Targeting shale gas 	Total to pay \$50 m in exploration costs to earn 40% of two PEDL's	\$2,119	\$265 m
GDF ∆Vez	DART⇒ ENERGY	10/21/2013	 340,000 acres Limited exploration/data Targeting CBM and Shale Gas 	GDF to pay \$12 m cash and up to \$27 m of exploration costs for 25% WI in 13 PEDLs	\$460	\$58 m
centrica energy	CUADRILLA	6/13/2013	293,000 acresExploratory wells drilledGood data	Centrica to pay £40 m cash and up to £60 m in exploration costs for 25% WI in PEDL 165	\$2,239 ⁽³⁾	\$280 m ⁽³⁾

^{1.} Based upon 125,000 net acres within PEDLs 231, 234, and 243, which represent the Company's holdings in the core of the Weald Basin. The Company owns approximately an additional 70,000 net acres on the periphery of the Weald Basin.

3. Assumes GBP:USD exchange rate of 1.64.

^{2.} Seller group includes other companies. Post farm-out, IGas will be operator, and ownership will be Total 40%, IGas 14.5%, Dart Energy 17.5%, Egdon Resources 14.5%, and eCorp Oil & Gas UK 13.5%.

Australia Offshore – Bonaparte Basin



Precedents for attracting farm-out partners

The following farm-ins occurred in exploration blocks near Magellan's NT/P82 block in the Bonaparte Basin:

Date	Company	Asset	Terms
July 2013	Origin Energy & MEO Australia	WA-454	 Origin earns 50% WI by paying MEO A\$5.6 m for reimbursement of permit related costs to date and carrying 80% of exploration costs up to A\$35 m MEO is currently farming out their 20% exploration exposure for 10-20% WI in permit
June 2012	SK Group & Santos	NT/P61 & NT/P69	 SK Group to pay \$260 m to drill 3 appraisal wells in the Barossa gas field in NT/P61 and NT/P69 for the right to earn a 37.5% stake in both blocks Pending well success, SK has the option to pay \$60 m to increase its stake to 49.5%, fund up to \$90 m for engineering and design work for an LNG project, and pay for the first LNG cargo payments of up to \$110 m
Oct 2011	Eni & Santos	NT/P48 (Evans Shoal)	 Eni to pay Santos \$250 m and an additional \$100 m contingent upon a positive final investment decision for 40% of the Evans Shoal gas field in NT/P48 Eni concurrently sold 7.5% of its interest to Shell Development (Australia)
May 2011	Eni & MEO Australia	NT/P86	 Eni to pay \$100 m, via a 2-well carry program, to MEO Australia to earn 50% of block NT/P86 which contains the Blackwood and Heron gas fields Eni can elect not to drill the 2nd well