

MAGELLAN PETROLEUM CORP /DE/

Form 10-K/A

February 15, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

(Amendment No. 3)

(Mark One)

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

For the fiscal year ended June 30, 2012, or

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 1-5507

Magellan Petroleum Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of

incorporation or organization)

1775 Sherman Street, Suite 1950, Denver, CO

(Address of principal executive offices)

Registrant's telephone number, including area code: (720) 484-2400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common stock, par value \$0.01 per share

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a 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

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The aggregate market value of the common equity held by non-affiliates of the registrant, based on the \$0.968 closing price per share of the registrant's common stock as reported by the NASDAQ Capital Market, as of December 30, 2011 (the last business day of the most recently completed second fiscal quarter) was \$41,241,284. For the purpose of this calculation, shares of common stock held by each director and executive officer and by each person who owns ten percent or more of the outstanding shares of common stock or who is otherwise believed by the registrant to be in a control position have been excluded. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Common stock, par value \$0.01 per share, 53,885,594 shares outstanding as of September 17, 2012.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

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Unless otherwise indicated, all dollar figures set forth herein are in United States currency. Amounts expressed in Australian currency are indicated as "AUD." Based on the exchange rate at September 1, 2012, AUD \$1.00 equaled approximately U.S. \$1.03.

EXPLANATORY NOTE

Magellan Petroleum Corporation (the "Company") is filing this Amendment No. 3 on Form 10-K/A (the "Amendment") to the Annual Report on Form 10-K for the fiscal year ended June 30, 2012, that was originally filed on September 24, 2012, as previously amended by Amendments on Form 10-K/A filed on September 28, 2012 and October 29, 2012 (collectively, the "10-K"), for the purpose of amending disclosures in Part III, Item 11, including the Outstanding Equity Awards at Fiscal Year End table, and the Security Ownership of Management table in Part III, Item 12, to reflect certain transfers made by J. Thomas Wilson on May 8, 2012 of 370,902 shares of the Company's common stock and options to acquire a total of 468,750 shares of the Company's common stock, pursuant to a domestic relations order in connection with a marital dissolution proceeding, and to make other minor non-substantive text corrections. Such transfers by Mr. Wilson were exempt from reporting under Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to Rule 16a-12 thereunder. Pursuant to Rule 12b-15 under the Exchange Act, the complete text of Part III, Items 11 and 12, as amended, is included in this Amendment. In addition, new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to this Amendment, and pursuant to Rule 12b-15 the complete text of Part IV, Item 15, including the list of exhibits, as amended, is included in this Amendment.

Except as otherwise expressly set forth herein, this Amendment does not reflect events occurring after the original filing of the 10-K on September 24, 2012, or modify or update those disclosures in the 10-K that may be affected by subsequent events. This Amendment should be read in conjunction with the 10-K and the Company's other filings made with the U.S. Securities and Exchange Commission subsequent to the original filing of the 10-K, as information in such other filings may update or supersede certain information contained in the 10-K.

PART III

ITEM 11: EXECUTIVE COMPENSATION

Director Compensation and Related Matters

The table below sets forth the compensation paid by the Company and by MPAL to our Directors during the fiscal year ended June 30, 2012.

Company Board Fees - fiscal year 2012 (all amounts shown are in U.S. Dollars (\$))

Name	Fees Earned or Paid in Cash (1)(8)	Stock Awards (1)(9)(10)	Option Awards (9)	All Other Compensation (11)	Total (\$)
Donald V. Basso (2)	\$91,291	\$25,200	\$—	\$9,000	\$125,491
Nikolay V. Bogachev (3)	\$70,000	\$—	\$—	\$9,000	\$79,000
Walter McCann (4)	\$119,995	\$25,200	\$—	\$11,343	\$156,538
Robert J. Mollah (5)	\$120,932	\$25,200	\$—	\$9,000	\$155,132
Ronald P. Pettrossi (6)	\$124,195	\$—	\$—	\$9,000	\$133,195
J. Robinson West (7)	\$69,800	\$25,200	\$—	\$9,000	\$104,000

- All Directors other than William H. Hastings, due to his compensation as President and Chief Executive Officer until September 27, 2011 and then as Senior Advisor for Business Development, and J. Thomas Wilson, subsequent to his appointment as President and Chief Executive Officer of the Company effective September 27, 2011, received an annual base retainer of \$35,000 for their Board service during fiscal year 2012. The Company discontinued compensating Mr. Wilson for his services as a Director upon his appointment as President and Chief Executive Officer. Under the terms of the Board's compensation policy for non-employee Directors adopted on May 27, 2009, as amended and restated through July 1, 2011, each non-employee Director other than Mr. Bogachev may receive an annual award of shares of Common Stock under Section 9 of the Company's 1998 Stock Incentive Plan, as amended (the "1998 Stock Incentive Plan"), with a value equal to \$35,000, with the determination of the exact number of shares to be made on July 1st or on the date of the subsequent annual shareholders meeting ("Stock Award"). Mr. Bogachev has been ineligible to receive such a Stock Award due to certain listing rules of the Australian Securities Exchange, on which the Company's stock has been traded in the form of CHESS Depository Interests. In either case, the number of shares to be awarded shall be determined using the fair value of the shares on July 1 as set forth in the 1998 Stock Incentive Plan. The number of shares for each (1) Director award pursuant to such Section 9, however, will be subject to a maximum annual cap of 15,000 shares. Any difference between the value of the equity award shares and \$35,000 will be added back to the amount of the Board member cash retainer paid each year ("Make-Up Payment"). On July 1, 2011, the CNG Committee recommended and the Board approved an amendment to the policy to provide an annual cash award alternative to the annual Stock Award, whereby a non-employee Director may elect to receive \$35,000 in cash to exercise Common Stock options previously awarded under the Plan, the exercise price of which is at least equal in value to the Common Stock eligible for receipt by the Director pursuant to the Stock Award (with the difference in the value of the options and \$35,000 to be paid in cash, also a Make-Up Payment). Mr. Bogachev received an additional cash payment of \$35,000 because, as discussed above, he is not eligible to receive an annual Stock Award under the 1998 Stock Incentive Plan. Pursuant to SEC reporting rules, the compensation amounts paid by the Company to Mr. Wilson for his services as a Director prior to his appointment as President and Chief Executive Officer effective September 27, 2011 are included in the Summary Compensation Table below for the Company's named executive officers, and are set forth and described in the footnotes thereto. In addition, the compensation amounts paid by the Company to Mr. Hastings are included in the Summary Compensation Table below for the Company's named executive officers.
- (2) Amounts reported include: Mr. Basso's annual retainer of \$35,000, a \$10,000 fee for service on the Audit Committee, an \$8,000 fee for service on the CNG Committee, a \$9,800 Make-Up Payment under the Company's non-employee Directors' compensation policy, a \$9,000 medical reimbursement, and \$28,491 (or AUD \$27,600)

for MPAL Board of Directors' fees shown in the table contained in footnote (9) below. For purposes of this note, all AUD amounts referenced were converted into U.S. Dollars (\$) using an exchange rate of 1 Australian dollar = \$1.0323, which was the average AUD-to-USD exchange rate for the fiscal year ended June 30, 2012.

Amounts reported include: Mr. Bogachev's annual retainer of \$70,000 and a \$9,000 medical reimbursement.

(3) Mr. Bogachev does not receive an annual Stock Award because he is not eligible to receive equity awards under the 1998

Stock Incentive Plan. The Company has also paid Mr. Bogachev \$294,824 in additional compensation for the fiscal year ended June 30, 2012 (see "Certain Relationships and Related Person Transactions - U.S. Federal Tax Withholdings," below).

Amounts reported include: Mr. McCann's annual retainer of \$35,000, a \$25,000 fee for service as Lead Independent Director for the fiscal year ended June 30, 2012, a \$10,000 fee for service as Chair of the CNG Committee, a \$10,000 fee for service on the Audit Committee, a \$9,800 Make-Up Payment, a \$9,000 medical reimbursement, a \$2,343 phone charge payment, and \$30,195 (or AUD \$29,250) for the MPAL Board of Directors' fees shown in the table contained in footnote (9) below. For purposes of this note, all AUD amounts referenced were converted into U.S. Dollars (\$) using an exchange rate of 1 Australian dollar = \$1.0323, which was the average AUD-to-USD exchange rate for the fiscal year ended June 30, 2012.

Amounts reported include: Mr. Mollah's annual retainer of \$35,000, a \$8,000 fee for service on the CNG Committee, a Make-Up Payment of \$9,800, a \$9,000 medical reimbursement, and the MPAL Board fees as follows: (i) \$16,518 (or AUD \$16,001) for services as an MPAL director and as Chairman of MPAL's Board of Directors and (ii) MPAL's payment of \$51,614 (or AUD \$49,999) for Mr. Mollah's benefit to a superannuation fund in Australia selected by Mr. Mollah, which is similar to an individual retirement plan account. For purposes of this note, all AUD amounts referenced were converted into U.S. Dollars (\$) using an exchange rate of 1 Australian dollar = \$1.0323, which was the average AUD-to-USD exchange rate for the fiscal year ended June 30, 2012.

Amounts reported include: Mr. Pettrossi's annual retainer of \$35,000, a \$16,000 fee for service as Chair of the Audit Committee, an \$8,000 fee for service on the CNG Committee, a \$35,000 payment in cash to exercise stock options on July 1, 2011, a \$9,000 medical reimbursement, and \$30,195 (or AUD \$29,250) for the MPAL Board of Directors' fees shown in the table contained in footnote (9) below. For purposes of this note, all AUD amounts referenced were converted into U.S. Dollars (\$) using an exchange rate of 1 Australian dollar = \$1.0323, which was the average AUD-to-USD exchange rate for the fiscal year ended June 30, 2012.

Amounts reported include: Mr. West's annual retainer of \$35,000, a \$25,000 fee for service as the Chairman of the Board for the fiscal year ended June 30, 2012, a \$9,800 Make-Up Payment, and a \$9,000 medical reimbursement. Each of Messrs. Basso, McCann, Mollah and Pettrossi was paid, consistent with prior years, cash fees directly by MPAL for their service on the MPAL Board of Directors during the fiscal year. In addition, Messrs. Mollah and Pettrossi also served on the MPAL Audit Committee during fiscal year 2012. All AUD amounts shown in the table below have been included in the table above after having been converted to U.S. Dollars (\$) using an exchange rate of 1 AUD dollar = \$1.0323, which was the average AUD-to-USD exchange rate for the fiscal year ended June 30, 2012.

MPAL Board Fees - fiscal year 2012 (all amounts shown in this table are in AUD)

Name	Fees Earned or Paid in Cash	All Other Compensation	Total
Donald V. Basso	\$27,600	\$—	\$27,600
Walter McCann	\$29,250	\$—	\$29,250
Robert J. Mollah	\$16,001	\$49,999	\$66,000
Ronald P. Pettrossi	\$29,250	\$—	\$29,250

The amounts shown in the "Stock Award" and "Option Award" columns represent the aggregate grant date fair value of the equity awards made during the fiscal year ended June 30, 2012, calculated in accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 718. As of June 30, 2012, our Directors held the following unexercised stock option awards (whether or not exercisable) and unvested restricted stock awards:

Unexercised Stock Options and Unvested Restricted Stock Awards as of June 30, 2012

Name	Unexercised Stock Options	Unvested Restricted Stock Awards
Donald V. Basso	125,000	—
Nikolay V. Bogachev	—	—
William H. Hastings	2,712,500	—
Walter McCann	175,000	—
Robert J. Mollah	125,000	—
Ronald P. Pettirossi	103,125	—
J. Robinson West	250,000	—

(10) On July 1, 2011, an annual Stock Award of 15,000 shares was awarded to each of Messrs. Basso, McCann, and Mollah under Section 9 of the 1998 Stock Incentive Plan. The fair market value of a share of Common Stock on July 1, 2011 was \$1.68. In lieu of an annual Stock Award, Mr. Pettirossi elected to receive \$35,000 to exercise 21,875 previously awarded stock options at an exercise price of \$1.60 per share.

(11) Amounts reported include medical reimbursement payments. Under the Company's medical reimbursement plan for all outside Directors, the Company reimbursed certain Directors the cost of their medical premiums, up to \$750 per month. During fiscal year 2012, the aggregate cost of this reimbursement plan was \$56,250.

Non-Employee Directors' Compensation Policy

Non-employee Directors of the Board receive annual compensation as set forth in the table below. With the exception of the compensation for the Lead Independent Director, the following compensation amounts took effect on July 1, 2009, and reflect the results of the CNG Committee's compensation study undertaken in 2008. The CNG Committee and the Board created the position of Lead Independent Director at their December 7-8, 2010, meetings and approved an annual compensation amount of \$25,000 for that position.

Compensation Type	Amount
Annual Board Member, cash retainer	\$35,000
Annual Stock Award (1)	\$35,000
Chairman of the Board, cash fee	\$25,000
Lead Independent Director, cash fee	\$25,000
Chairman of the Audit Committee, cash fee	\$16,000
Chairman of the CNG Committee, cash fee	\$8,000
Member of the Audit Committee, cash fee	\$10,000
Member of the CNG Committee, cash fee	\$8,000

(1) See Note 1 to the Director Compensation Table above.

Medical Reimbursement Plan

Under the Company's medical reimbursement plan for all outside Directors, the Company reimbursed certain Directors the cost of their medical premiums, up to \$750 per month. During fiscal year 2012, the aggregate cost of this reimbursement plan was \$56,250.

Share Ownership Guidelines

In conjunction with the revised compensation policy for non-employee Directors, the Board also adopted share ownership guidelines for the non-employee Directors. Under the guidelines, each non-employee Director will be required to own a minimum of 100,000 shares of the Company's Common Stock. For all Directors serving on the Board since 2009, the guidelines must be satisfied by July 1, 2013. Messrs. McCann, Pettirossi, and West are already in compliance with the share ownership guidelines. Shares purchased in the open market and shares received by Directors as annual equity awards under Section 9 of the 1998 Stock Incentive Plan may be credited toward the satisfaction of the ownership guideline.

Named Executive Officer Compensation

Overview

At the beginning of this section, we discuss our executive officer compensation objectives, programs, and policies. Later, you will find more specific information about the compensation earned or paid in the fiscal year ended June 30, 2012, to (i) J.

Thomas Wilson, our President/CEO since September 27, 2011, (ii) William H. Hastings, our President/CEO through September 27, 2011, (iii) Antoine J. Lafargue, our Vice President-Chief Financial Officer and Treasurer, and (iv) Milam Randolph Pharo, our former Vice President-General Counsel and Secretary, whom we refer to as our "named executive officers" (or "NEOs") for the 2012 fiscal year. That information includes a discussion of the material terms of the plans and arrangements under which the NEOs are or were compensated, and the Executive Compensation Tables for the NEOs.

Board Oversight of Executive Compensation; Role of the CNG Committee

The Company's executive compensation program has been developed and is continually monitored by our Board, acting on the recommendation of the CNG Committee, which during the fiscal year ended June 30, 2012, was comprised of Messrs. McCann (Chairman), Basso, Mollah, and Pettirossi. On May 27, 2009, the Board adopted a written charter for the CNG Committee, which was most recently amended on December 9, 2009. The CNG Committee has responsibilities and powers related to compensation matters and also certain specified corporate governance matters.

Under its charter, the CNG Committee is responsible for assisting the Board in overseeing the Company's management compensation policies and practices, including (i) determining and recommending to the Board for its approval the compensation of the Company's President/CEO and other executive officers; (ii) reviewing and recommending to the Board for its approval management incentive compensation policies and programs and exercising discretion in the administration of such programs; and (iii) reviewing and recommending to the Board for its approval equity compensation programs for Directors, officers, employees, and consultants, and exercising discretion in the administration of such programs.

The Board, acting upon recommendations of the CNG Committee, is ultimately responsible for determining the types and amounts of compensation paid to each of our NEOs. In fulfilling its role, the Board considers the Company's performance and strategic objectives in determining, on an annual basis, whether any corresponding adjustments to our NEOs' compensation levels are warranted, in light of the attainment of these performance objectives.

During the fiscal year ended June 30, 2012, neither Mr. Wilson, Mr. Hastings, Mr. Lafargue, nor Mr. Pharo determined or approved any element or component of his own base salary or any other aspects of his compensation.

Objectives of Our Compensation Program

Our executive compensation program is designed to motivate and reward our NEOs in a fiscally responsible manner, while aligning our executive's interests with those of our shareholders and prudently conserving cash resources to fund the Company's growth plans and strategic objectives. The oil and gas exploration and production industry has historically been highly competitive, a trend that has increased significantly in the last decade. As a result, experienced professionals have significant career mobility. We are a smaller company in a highly-competitive industry that competes for executive talent with a large number of exploration and production companies, many of which have significantly larger market capitalization than the Company. Our ability to motivate and reward our executive officers and other key employees is essential to maintaining a competitive position in the oil and gas business. The Board believes that our comparatively smaller size and relatively small executive management team pose unique challenges in this industry and, therefore, are substantial factors in the design of our executive compensation program.

In light of the foregoing factors, the Board through the CNG Committee also strives to maintain compensation programs that are generally competitive within the independent oil and gas industry in the United States and in Australia. The award of base salary, annual cash bonuses, equity-based awards, and benefit packages to our NEOs are approved by the Board after such matters are initially reviewed and approved by the CNG Committee and thereafter recommended by the CNG Committee to the Board for approval. Beginning with the appointment of Mr. Hastings, the Board implemented a new compensation strategy by which the Company's executive officers will be paid base salaries that are generally lower than salaries prevailing in the marketplace for similarly situated companies and will receive awards of equity compensation to supplement their cash salaries. Despite the Company's small market capitalization, equity compensation permits the Company to attract talented executives and to offer attractive overall compensation packages by permitting our executive officers to participate in the future growth of the Company (through an increase in the price of the stock acquired through the equity awards) in lieu of receiving a higher up-front base salary and cash bonus. The use of equity compensation as a component of an executive officer's overall compensation package is

consistent with the Company's objective to: (i) motivate and reward executive officers in a fiscally-responsible manner; (ii) align the interests of executive officers with those of shareholders; and (iii) conserve cash resources to fund the Company's growth plans and strategic objectives (together, the "Compensation Objective").

Periodically, the CNG Committee reviews our executive compensation program to assess whether the program remains competitive with those of similar companies, considers the program's effectiveness in creating adequate incentives for our executive officers to find, acquire, develop, and produce oil and gas reserves in a cost-effective manner, and determines what changes, if any, are appropriate in light of our overall performance and ability to attract and retain talented executive officers.

The Board may, in addition to base salaries, authorize annual cash bonuses and equity-based awards in the future for our executive officers based upon the attainment of our operational and strategic goals. We have not adopted specific target or

performance levels which would automatically result in increases or decreases in executive officer compensation. Instead, we make compensation determinations based upon a consideration of many factors, including those described below. We have not assigned relative weights or rankings to these factors. Specific elements of the Company's performance and individual performance that we consider in setting compensation policies and making compensation decisions include the following factors:

- the cyclical nature of the oil and gas business and industry trends in Australian and Asian/Pacific oil and gas markets; the growth in the quantity and value of our proved oil and natural gas reserves, volumes of oil and natural gas produced by the Company and our executives' ability to replace oil and natural gas produced with new oil and natural gas reserves;
- the Company's oil and gas finding costs and operating costs, cash flow from operations, annual revenues, and earnings per share;
- the market value of the Common Stock on the NASDAQ and the ASX exchanges;
- the extent to which management has been successful in finding and creating opportunities to participate in acquisition and farm-in transactions and exploitation and drilling ventures having quality prospects;
- management's ability to formulate and maintain sound budgets for our business activities and overall financial condition;
- the success of our acquisition and exploration activities and the achievement by management of specific tasks and goals set by the Board and the MPAL Board of Directors from time to time;
- the effectiveness of our compensation packages in motivating our management to remain in our employ; and
- the ability of management to effectively implement risk management practices.

In addition to considering these performance elements, we also consider each NEO's longevity of service and his or her individual performance, leadership, and business knowledge.

Overview of Compensation for J. Thomas Wilson, the Company's President/CEO Since September 27, 2011
Effective September 27, 2011, the Board appointed Mr. Wilson as our President/CEO. On November 9, 2011, the Company entered into an Employment Agreement with Mr. Wilson (the "Wilson Agreement"), which provides for an initial two-year term of employment (the "Initial Term") that commenced on September 27, 2011. If not terminated prior to September 27, 2013 in accordance with its provisions, the Wilson Agreement may be renewed for additional one year terms (each, a "Renewal Term") if the parties mutually agree to do so. The Wilson Agreement provides for an initial annual base salary of \$349,459, subject to an annual cost of living increase beginning on July 1, 2012 and effective each January 1st thereafter. Mr. Wilson's current annual base salary is \$350,000. Under the Wilson Agreement, Mr. Wilson will not be guaranteed a bonus but rather will be eligible to receive such bonus awards, if any, based on the Company's and Mr. Wilson's performance, as shall be determined by the Board in its sole discretion, after receipt of a recommendation by the CNG Committee. If the Company terminates Mr. Wilson's employment without Cause or he resigns for Good Reason (both as defined in the Wilson Agreement), Mr. Wilson will be entitled to receive a severance benefit equal to the amount of base salary that Mr. Wilson would have received if he remained employed for the balance of the Initial Term or Renewal Term, as the case may be, based upon his then-current base salary without further increase. See "Additional Information Regarding Executive Compensation - Employment Agreements with Our 2012 Named Executive Officers" below.

In addition, there is a consulting agreement between the Company and Mr. Wilson that was entered into on July 9, 2009, as discussed under "Certain Relationships and Related Person Transactions - Agreements with J. Thomas Wilson" above. Due to Mr. Wilson's appointment as the Company's President/CEO effective September 27, 2011, the Company and Mr. Wilson are working to terminate that agreement. Until that agreement is terminated, Mr. Wilson has agreed to not charge fees thereunder for any services he renders to the Company after his appointment as President/CEO.

Overview of Compensation for William H. Hastings, the Company's President/CEO for the Period from December 11, 2008, through September 27, 2011

In the fall of 2008, the CNG Committee independently retained Compensation Resources, Inc., of Upper Saddle River, N.J. ("CR"), to assist the Board in determining the appropriate compensation package for Mr. Hastings as the Company's new President/CEO. Previous to this study, the CNG Committee had retained CR to provide a study to the Board regarding compensation for the Company's non-employee Directors. This engagement led to the Board's

May 27, 2009, adoption of the new Directors compensation policy and Directors share ownership guidelines. See "Non-Employee Directors' Compensation Policy" above. The decisions to engage CR for these two projects were not made or recommended subject to surveying or review by management.

As part of its work on our President/CEO compensation package, CR performed the following functions requested by the CNG Committee and the Board: (i) assembling a peer group of approximately 20 other small and medium sized oil and gas

companies, based on industry group, geographic location, and comparable revenue levels (of between 50% to 200% of the Company's historical revenues); (ii) analyzing the compensation of the President or CEO of the peer companies, by amounts and type of compensation, including cash salaries, cash bonuses, and long-term incentive-based compensation; (iii) assembling and analyzing widely-published compensation survey data (Mercer and ERI 2008 studies); (iv) recommending market consensus amounts and ranges for the compensation of our President/CEO to the CNG Committee; and (v) conducting a beneficial ownership analysis for the position of the CEO. Representatives of CR consulted with the CNG Committee frequently during the fiscal year, prior to the appointment of Mr. Hastings on December 11, 2008.

On December 11, 2008, the Board appointed Mr. Hastings as our President/CEO. Mr. Hastings' initial term of employment was for five years and commenced on December 11, 2008, pursuant to a non-binding term sheet negotiated between Mr. Hastings and the CNG Committee. Under his February 3, 2009, Employment Agreement with the Company ("Hastings Agreement"), Mr. Hastings was paid a base salary that in 2011 was \$337,459 per year, subject to a yearly increase based on a measurement of inflation ("Annual Increase"). Under the Hastings Agreement, Mr. Hastings did not receive a sign-on or guaranteed cash bonuses, but was entitled to receive cash bonuses recommended by the CNG Committee and approved by the Board commensurate with his and the Company's performance. If at any time prior to the end of the five-year term the Company terminated his employment without Cause or he resigned for Good Reason (both as defined in the Hastings Agreement), Mr. Hastings would be entitled to continue to receive his then-current base salary for the rest of the five-year term, with a minimum severance period of two years. See "Additional Information Regarding Executive Compensation-Employment Agreements with Our 2012 Named Executive Officers" below.

On December 11, 2008, Mr. Hastings was awarded 3,100,000 non-qualified stock options under the Company's 1998 Stock Incentive Plan in two tranches, at an exercise price equal to \$1.20 per share. In connection with the negotiation and signing of the Hastings Agreement, Mr. Hastings and the Company agreed that Mr. Hastings would surrender to the Company 387,500 of the non-qualified stock options previously granted to him on December 11, 2008, with a corresponding award of 387,500 non-qualified stock options to Mr. Wilson. Mr. Hastings now holds options to acquire an aggregate of 2,712,500 shares, consisting of 875,000 performance-based options and 1,837,500 time-based options. Mr. Hastings' 875,000 performance-based options vested in full on March 2, 2011. In addition, 1,837,500 time-based options have fully vested, 612,500 options on December 11, 2009, 612,500 options on December 11, 2010, and 612,500 options on December 11, 2011.

On September 27, 2011, Mr. Hastings elected to step aside as the Company's President/CEO, due to the Board's decision to relocate the Company's headquarters from Portland, Maine, to Denver, Colorado. Effective as of the same date, the Board appointed, at the recommendation of the CNG Committee, Mr. Hastings as the Company's Senior Advisor for Business Development pursuant to the terms of the Hastings Agreement as amended by an Employment Agreement Addendum ("Addendum"). Under the Addendum and as Senior Advisor for Business Development, Mr. Hastings was paid his current salary and was responsible for seeking out and assisting in the development of new ventures and business opportunities for the Company in a non-executive capacity. The original expiration date for the options awarded to Mr. Hastings under the Plan was December 11, 2018, and the Addendum provided that in no event would the options expire before December 31, 2015, regardless of whether his employment with the Company should terminate before that date for any reason. Mr. Hastings' employment with the Company was discontinued effective July 16, 2012. See "Additional Information Regarding Executive Compensation - Employment Agreements with Our 2012 Named Executive Officers" below.

Overview of the Compensation for Antoine J. Lafargue, CFO/Treasurer

On August 2, 2010, the Board appointed Antoine J. Lafargue as the Company's new CFO/Treasurer to serve an initial employment term of three years. Mr. Lafargue's August 2, 2010 Employment Agreement with the Company (the "Lafargue Agreement") provides for an initial base salary of \$240,000 per year, subject to an Annual Increase commencing on January 1, 2012. Mr. Lafargue's current base salary is \$240,000 per year. Under the Lafargue Agreement, Mr. Lafargue does not receive a sign-on or guaranteed cash bonuses but is entitled to receive cash bonuses recommended by the CNG Committee and approved by the Board commensurate with his and the Company's performance. If the Company terminates Mr. Lafargue's employment without Cause or he resigns for Good Reason (both as defined in the Lafargue Agreement), Mr. Lafargue is entitled to receive a severance benefit equal to one

year's base salary, based upon his then-current base salary. See "Additional Information Regarding Executive Compensation-Employment Agreements with Our 2012 Named Executive Officers" below.

Overview of the Compensation for Milam Randolph Pharo, Former Vice President - General Counsel and Secretary Effective November 30, 2011, the Board appointed Milam Randolph Pharo as the Company's Vice President, General Counsel and Secretary. Mr. Pharo's November 16, 2011 offer letter, which was filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, provided for an initial base salary of \$175,000 per year. In connection with Mr. Pharo's appointment, he was granted on November 30, 2011 an inducement equity award, outside of the Company's 1998 Stock Incentive Plan, in the form of options to purchase a total of 500,000 shares of common stock for \$1.13 per share, the market closing price of the stock on November 30, 2011. This award was granted in accordance with NASDAQ Listing Rule 5635(c)(4), and 166,666 of the options vested on November 30, 2011. Mr. Pharo retired from the

position of Vice President, General Counsel and Secretary effective September 5, 2012, and as a result the remaining 333,334 options were cancelled pursuant to the terms thereof.

Elements of Compensation

We seek to achieve our executive compensation objectives by providing our NEOs with the following elements of compensation:

- a base salary that represents cash compensation based on internal equity and external industry-based competitiveness;
- an opportunity to receive an annual cash bonus award based upon the achievement of goals and objectives attained during the course of a fiscal year;
- potential equity-based awards under the Company's 1998 Stock Incentive Plan and, if approved by the shareholders at the 2012 Annual Meeting, the 2012 Omnibus Incentive Compensation Plan;
- pension/retirement benefits and other personal benefits under our NEOs' employment contracts, as described below;
- benefit programs provided to our U.S. employees, including health care benefits, dental, life, and vision coverage; and
- termination payments and other benefits under the NEOs' employment agreements, in the event that the NEO's employment is terminated under specified circumstances.

Each of the material elements of our compensation program is discussed in greater detail below.

Base Salary

The Board reviews and determines, after receipt of a recommendation from the CNG Committee, the base salary of each NEO. The purpose of base salary is to reflect our NEOs' executive job responsibilities, individual performance, and competitive compensation levels. Under his employment agreement, Mr. Wilson's current annual base salary is \$350,000 and is subject to an Annual Increase. Under his employment agreement, Mr. Lafargue's current annual base salary is \$240,000 and is subject to an Annual Increase. Mr. Pharo's annual base salary was \$175,000.

Annual Cash Bonus Awards

The Board, pursuant to the recommendation of the CNG Committee, may award a NEO an annual cash bonus. The purpose of a cash bonus would be to better align executive performance with annual strategic goals while enhancing shareholder value. The NEOs did not receive annual cash bonus awards during fiscal year 2012.

Special Cash Bonus Awards

On June 26, 2012, the CNG Committee approved special cash bonus awards for certain employees of the Company in connection with their extraordinary efforts to facilitate the May 2012 closing of the Company's significant asset swap transaction with Santos QNT Pty. Ltd. and Santos Limited that resulted in net cash proceeds to the Company of AUD \$25.0 million and other accomplishments. The amounts paid to Mr. Wilson, Mr. Lafargue, and Mr. Pharo under these special cash bonus awards were \$30,000, \$170,000 and \$10,000, respectively.

Equity-Based Compensation

At the December 1998 annual meeting, our shareholders approved the Company's 1998 Stock Option Plan (the "1998 Plan"), which permits the granting of stock options and stock appreciation rights ("SARs") to the Directors, officers, employees, and consultants. On December 11, 2008, the Board amended and restated the 1998 Plan, renaming the 1998 Plan, the "1998 Stock Incentive Plan" (the "1998 Stock Incentive Plan"), and further amended the 1998 Stock Incentive Plan on March 19, 2009 and May 27, 2009. On May 27, 2009, the Company's shareholders approved the amendment and restatement of the 1998 Stock Incentive Plan, as follows:

- the amount of shares reserved for issuance pursuant to awards made under the 1998 Stock Incentive Plan was increased by 4,205,000 shares, to a maximum of 5,205,000 shares;
- the CNG Committee was authorized to make awards of shares of Restricted Stock (as defined in the 1998 Stock Incentive Plan), which awards may vest based on a participant's continued service to the Company, its subsidiaries, or affiliates, or upon the satisfaction of performance measures;
- the 1998 Stock Incentive Plan now provides for annual awards of Common Stock to the non-employee Directors of the Company; and
- the CNG Committee is authorized to make awards of shares of Common Stock, options, SARs, or Restricted Stock that vest upon the satisfaction of pre-defined corporate performance measures identified by the CNG Committee.

At the December 2010 annual meeting, our shareholders approved a further amendment to the 1998 Stock Incentive Plan which increased the number of shares of Common Stock authorized for issuance under the 1998 Stock Incentive Plan by 2,000,000 shares, to a new aggregate total of 7,205,000 shares.

The Company is proposing to replace the 1998 Stock Incentive Plan with a new 2012 Omnibus Incentive Compensation Plan to be voted on by the shareholders at the 2012 Annual Meeting. Other than the 1998 Stock Incentive Plan, the Company currently does not have any long-term incentive, non-qualified defined contribution, or other non-qualified deferred compensation plans. In addition, MPAL does not currently maintain any of its own equity-based compensation plans.

The 1998 Stock Incentive Plan provides for grants of options principally at an option price per share of 100% of the fair value of the Company's Common Stock on the date of the grant. Options are generally granted with a one-year, two-year, or a three-year vesting period and a ten-year term. Options vest in equal annual installments over the vesting period. The Plan also provides for the grant of SARs subject to terms as determined by the CNG Committee and evidenced in a form also determined by the CNG Committee. In addition, the 1998 Stock Incentive Plan permits the award of Restricted Stock to eligible participants and also permits the CNG Committee to make an annual award of shares of unrestricted Common Stock to the Company's non-employee Directors equal in value of up to 50% of the annual cash retainer payable to these Directors.

For all 1998 Stock Incentive Plan awards granted, modified, or settled after July 1, 2005, we account for all equity-based awards in accordance with the requirements of ASC Topic 718. With the exception of the annual stock awards to non-employee Directors which typically occur on July 1 of each fiscal year, we do not have a specific program or plan with regard to the timing or dating of option grants or other awards, and options or other awards under the 1998 Stock Incentive Plan have not been granted at regular intervals or on pre-determined dates. Rather, the Board's decisions as to when options are granted have historically been made at the complete discretion of the Board upon the recommendation of the CNG Committee. Going forward, the Board intends to continue this practice, after receipt and consideration of recommendations for further option or other awards under the 1998 Stock Incentive Plan or the 2012 Omnibus Plan.

As of October 11, 2012, there were 7,194,791 stock options outstanding, of which 5,119,787 were fully-vested and exercisable. If all of these options were exercised these shares would represent approximately 11.78% of our issued and outstanding shares of Common Stock.

Mr. Hastings holds options to acquire an aggregate of 2,712,500 shares, consisting of 875,000 performance-based options and 1,837,500 time-based options. The performance-based options have vested in full. In addition, the time-based options vested in full on December 11, 2009 (612,500 options), on December 11, 2010 (612,500 options), and December 11, 2011 (612,500 options).

In connection with Mr. Wilson's appointment as the Company's President/CEO effective September 27, 2011, on November 7, 2011, the CNG Committee and the full Board awarded to Mr. Wilson (a) non-qualified time-based stock options for the purchase of up to a total of 250,000 shares of Common Stock; and (b) 100,000 shares of time-based restricted Common Stock, with both the stock options and the restricted stock subject to the terms and conditions of the 1998 Stock Incentive Plan. The exercise price per share for all of the stock options is \$1.08, which exercise price was the "fair market value" (as defined in Section 5(c) of the Company's 1998 Stock Incentive Plan) of a share of the Common Stock as of November 7, 2011. The stock options vest in two annual installments as follows: (i) 125,000 option shares vested on September 27, 2012; and (ii) 125,000 option shares are scheduled to vest on September 27, 2013. The restricted stock vests (and becomes non-forfeitable) in two annual installments as follows: (x) 50,000 shares of restricted stock vested on September 27, 2012; and (y) 50,000 shares of restricted stock are scheduled to vest on September 27, 2013. Any unvested portion of Mr. Wilson's stock options or restricted stock will immediately be accelerated and vest in full upon the occurrence of a "Change of Control" of the Company (as defined in the 1998 Stock Incentive Plan) and upon the occurrence of other specified events.

Prior to his appointment as President/CEO effective September 27, 2011, Mr. Wilson was granted the following stock options: (a) options granted on February 2, 2009 to purchase up to a total of 387,500 shares of Common Stock at an exercise price of \$1.20 per share, all of which options are now fully vested; and (b) options granted on April 1, 2010 to purchase up to 300,000 shares of Common Stock at an exercise price of \$2.24 per share, of which 200,000 options are now vested and the remaining 100,000 options are scheduled to vest on April 1, 2013.

On May 8, 2012, one-half of each of the options previously granted to Mr. Wilson as discussed above were transferred by Mr. Wilson pursuant to a domestic relations order in connection with a marital dissolution proceeding. These transfers were exempt from reporting under Section 16 of the Exchange Act pursuant to SEC Rule 16a-12 thereunder. In connection with Mr. Lafargue's appointment as the Company's Vice President-Chief Financial Officer and Treasurer, on August 2, 2010, the CNG Committee and the full Board awarded to Mr. Lafargue non-qualified stock options covering an aggregate of 800,000 shares of the Common Stock, subject to the terms and conditions of the 1998 Stock Incentive Plan, in two separate tranches, as follows: 400,000 time-based options and 400,000 performance-based options. The exercise price per share for all of those options is \$1.84, which exercise price was the "fair market value" (as defined in Section 5(c) of the 1998 Stock

Incentive Plan) of a share of the Common Stock as of August 2, 2010. The time-based options vest in three equal annual installments as follows: (a) 133,333 option shares vested in full on August 2, 2011; (b) 133,333 option shares vested in full on August 2, 2012; and (c) 133,334 option shares are scheduled to vest in full on August 2, 2013. The performance-based options were to vest in full upon completion of the Evans Shoal Transaction. Because the Evans Shoal Transaction was not completed, the performance-based options issued to Mr. Lafargue were forfeited as of June 30, 2011, and allocated back to the share reserve for the 1998 Stock Incentive Plan.

On November 30, 2011, the CNG Committee and the full Board awarded to Mr. Lafargue non-qualified stock options covering an aggregate of 600,000 shares of the Common Stock, subject to the terms and conditions of the 1998 Stock Incentive Plan, in two separate tranches, as follows: 400,000 time-based options and 200,000 performance-based options. The exercise price per share for all of these options is \$1.10, which exercise price was the "fair market value" (as defined in Section 5(c) of the 1998 Stock Incentive Plan) of a share of the Common Stock as of the grant date. The time-based options are scheduled to vest in two equal annual installments as follows: (a) 200,000 option shares on November 30, 2012; and (b) 200,000 option shares on November 30, 2013. The performance-based options provide that (a) 100,000 option shares shall vest upon the completion of the Nautilus drilling program (which has occurred); (b) 50,000 option shares shall vest upon the completion of the relocation of the Company's headquarters from Portland, Maine to Denver, Colorado (which has occurred); and (c) 50,000 option shares shall vest upon completion of the Company's significant asset swap transaction with Santos QNT Pty. Ltd. and Santos Limited (which occurred in May 2012).

Any unvested portion of Mr. Lafargue's stock options will immediately be accelerated and vest in full upon the occurrence of a "Change in Control" of the Company (as defined in the 1998 Stock Incentive Plan) and upon the occurrence of other specified events.

Pension/Retirement Benefits

The Company does not provide qualified pension benefits or any supplemental executive retirement benefits to any of its NEOs.

Mr. Wilson and Mr. Lafargue are eligible to participate in the Company's 401(k) retirement savings plan, which became effective as of October 15, 2010. Under the Company's 401(k) plan, all employees of the Company are eligible to participate after an initial period of three months of employment. The 401(k) plan permits participants to make salary deduction contributions to their plan accounts and provides that the Company will make a 3.5 percent match of the employee's contributions, up to an annual maximum of 3.5 percent of salary.

Additional Benefit Programs

Perquisites and other benefits represent a small part of our overall compensation package. These benefits are reviewed periodically to ensure that they are competitive with industry norms. If greater than \$10,000, the aggregate costs associated with the benefits we provided to Mr. Wilson, Mr. Hastings, Mr. Lafargue, or Mr. Pharo are included in the "All Other Compensation" column of the Summary Compensation Table set forth below.

During fiscal year 2012, the Company paid \$1,560 for parking for Mr. Wilson. In addition, health insurance premiums for one month in the amount of \$1,250 for Mr. Wilson were paid by NP, a subsidiary of the Company.

Under his employment agreement, Mr. Hastings was provided with a leased automobile as approved by the Board, consistent with the Company's perquisite guidelines. During fiscal year 2012, the Company paid \$8,379 for this arrangement and \$1,560 for parking for Mr. Hastings. Under his employment agreement, Mr. Hastings also received up to \$8,000 per year in reimbursements to purchase his own family health insurance coverage, including medical, prescription, and dental benefits. Consistent with the terms of his employment agreement, the Company secured and paid the premiums for a 10-year term life insurance policy for Mr. Hastings. During fiscal year 2012, the Company paid \$3,610 in life insurance premiums. In addition, the Company has purchased long-term disability insurance with coverage to age 65 for Mr. Hastings, with a maximum annual premium amount of \$12,500. During fiscal year 2012, the Company paid \$7,436 to a disability insurer under this arrangement. In addition, the Company has purchased \$2 million of key-man life insurance coverage for Mr. Hastings.

In connection with the hiring of Mr. Lafargue, the Company agreed to reimburse his relocation expenses, which amounted to \$18,925, and to reimburse his legal expenses incurred in connection with the review of his employment terms and visa application in the amount of \$22,000. Under his employment agreement, Mr. Lafargue was also provided with a paid parking space at a cost during the fiscal year ended June 30, 2012 of \$1,560. Consistent with the

terms of his employment agreement, the Company also paid \$20,655 in health insurance premiums.

Tax Considerations

We intend to operate our executive compensation program in good faith compliance with Section 409A of the U.S. Internal Revenue Code and the related regulations and other guidance issued by the U.S. Internal Revenue Service. At this time, the Company does not expect that Section 162(m) of the U.S. Internal Revenue Code will have any effect on the

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Company's executive officer compensation because it is not likely that the annual compensation paid to any executive officer will exceed \$1 million.

Additional Information Regarding Executive Compensation

Employment Agreements with Our 2012 Named Executive Officers

The Company has entered into written employment agreements with each of Messrs. Wilson, Hastings, and Lafargue that provide for certain severance payments and other benefits in the event that their respective employment with the Company is terminated under various circumstances, as described below (Mr. Hastings' employment with the Company was terminated effective July 16, 2012). Generally, we use these provisions to provide some assurance to the Board that the Company will continue to be able to rely on our NEOs continuing in their positions with us, without concern that they might be distracted by the personal uncertainties and risks created by any proposed or threatened change of control of the Company.

Mr. Wilson

On November 9, 2011, the Company entered into an Employment Agreement with J. Thomas Wilson (the "Wilson Agreement"), under which he serves as the Company's President/CEO. The Wilson Agreement provides for a two-year term of employment, which commenced on September 27, 2011. If not terminated prior to September 27, 2013 (the "Initial Term") in accordance with its provisions, the Wilson Agreement may be renewed for additional one year terms (each, a "Renewal Term") if the parties mutually agree to do so. If the Company or Mr. Wilson determines not to renew the Wilson Agreement for an additional one year term, the party desiring to terminate the Wilson Agreement must provide the other with written notice six months prior to the expiration of the Initial Term or the Renewal Term, as applicable.

The Wilson Agreement provides for an initial annual base salary of \$349,459, subject to an annual cost of living increase beginning on July 1, 2012 and effective each January 1st thereafter, based on a formula that shall be adopted for all Company employees. During the term of the Wilson Agreement, Mr. Wilson will not be guaranteed a bonus but rather will be eligible to receive such bonus awards, if any, based on the Company's and Mr. Wilson's performance, as shall be determined by the Board in its sole discretion, after receipt of a recommendation by the CNG Committee. The Wilson Agreement confirms an award to Mr. Wilson of (i) options to acquire 250,000 shares of the Company's Common Stock at an exercise price equal to the fair market value of a share of Common Stock on the grant date (one-half of which options have been subsequently transferred as discussed above); and (ii) 100,000 restricted shares of Common Stock (collectively, the "Equity Incentives").

The Company is entitled to terminate Mr. Wilson's employment at any time for any reason, other than non-renewal, Disability, or Cause (as each such term is defined in the Wilson Agreement) upon at least 30 days' written notice to Mr. Wilson. If the Company terminates Mr. Wilson's employment for any reason other than non-renewal, Disability, or Cause, then the Company shall pay to Mr. Wilson: (i) his base salary 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 (the "Salary Benefit"); (ii) any other compensation and benefits to the extent actually earned by him under any other benefit plan or program of the Company as of the date of such termination of employment (the "Other Benefits"); (iii) any reimbursement amounts for reasonable business expenses approved by the Company and owed to Mr. Wilson under the Wilson Agreement (the "Reimbursement Benefit"); (iv) a defined severance benefit (the "Severance Benefit"); and (v) certain continuing health insurance payment benefits, if Mr. Wilson elects to continue insurance coverage under the Company's health insurance plans pursuant to COBRA following termination of employment (the "Medical Benefit"). In addition, the Equity Incentives shall fully vest (the "Vesting Benefit"). The Severance Benefit shall equal the amount of base salary that Mr. Wilson would have received if he remained employed for the balance of the Initial Term or Renewal Term, as the case may be, based upon his then-current base salary without further increase. The amount of the Severance Benefit shall be paid during the remainder of the Initial or Renewal Term, as applicable, in equal monthly installments commencing in the first month following Mr. Wilson's termination of employment.

The Wilson Agreement may be terminated by the Company in the event of Mr. Wilson's death or Disability. If Mr. Wilson dies or becomes disabled, then the Company will pay Mr. Wilson (or, in the case of death, Mr. Wilson's estate or other person having such entitlement pursuant to the terms of the applicable plan or program): (i) the Salary Benefit; (ii) the Other Benefits; (iii) the Reimbursement Benefit; and (iv) the Vesting Benefit.

The Wilson Agreement may also be terminated for Cause by the Company. "Cause" is defined as (i) an act or acts of dishonesty or fraud by Mr. Wilson relating to the performance of his services to the Company; (ii) a breach by Mr. Wilson of his duties or responsibilities under the Wilson Agreement resulting in significant demonstrable injury to the Company or any of its subsidiaries; (iii) Mr. Wilson's conviction of a felony or any crime involving moral turpitude; (iv) Mr. Wilson's material failure (for reasons other than death or Disability) to perform his duties under the Wilson Agreement or insubordination (defined as refusal to execute or carry out lawful directions from the Board or its duly appointed designees) where Mr. Wilson has been given written notice of the acts or omissions constituting such failure or insubordination and he has failed to cure such conduct, where susceptible to cure, within 30 days following such notice; or (v) a breach by Mr. Wilson of any provision of any

material policy of the Company or certain obligations under the Wilson Agreement (e.g., confidentiality, non-solicitation, non-competition, and non-disparagement obligations). If the Wilson Agreement is terminated for Cause, Mr. Wilson shall only be entitled to receive: (i) the Salary Benefit; (ii) the Other Benefits; and (iii) the Reimbursement Benefit.

Mr. Wilson is entitled to terminate his employment with the Company for "Good Reason" (as defined in the Wilson Agreement). In the event of his termination of employment for Good Reason, Mr. Wilson shall be entitled to receive: (i) the Salary Benefit; (ii) the Other Benefits; (iii) the Reimbursement Benefit; (iv) the Severance Benefit; (v) the Medical Benefit; and (vi) the Vesting Benefit. "Good Reason" as defined in the Wilson Agreement, means only, without Mr. Wilson's written consent, (A) a material negative change in the scope of the authority, functions, duties, or responsibilities of Mr. Wilson's employment from that which is contemplated by the Wilson 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 engaging the services of a long-term replacement President and Chief Executive Officer; (C) any material breach by the Company of any provision of the Wilson Agreement without Mr. Wilson having committed any material breach of his obligations thereunder, in each case of (A), (B), or (C), which breach is not cured by the Company within 30 days following written notice thereof to the Company of such breach; or (D) a "Change in Control" (as defined in the Wilson Agreement) of the Company.

Mr. Hastings

On February 3, 2009, the Company entered into an Employment Agreement with Mr. Hastings to serve as our President/CEO ("Hastings Agreement"), effective as of December 11, 2008. Under the Hastings Agreement, Mr. Hastings was paid an annual salary of \$300,000, subject to an Annual Increase. During the term of the Hastings Agreement, Mr. Hastings did not receive a sign-on or other guaranteed bonus, but was entitled to receive bonuses recommended by the CNG Committee and approved by the Board. Mr. Hastings was also entitled to reimbursement of his business expenses while performing services for the Company.

The Hastings Agreement confirmed Mr. Hastings's receipt of the stock options awarded to him on December 11, 2008 and his surrender to the Company of 387,500 of those stock options, as described in "Overview of Compensation of William H. Hastings, the Company's President/CEO for the Period of December 11, 2008 through September 26, 2011" above. In addition, the Company agreed to provide Mr. Hastings up to \$8,000 per year of reimbursement for health insurance and to purchase and pay annual premiums for a long-term disability insurance policy covering Mr. Hastings and a ten-year term life insurance policy.

The Company was entitled to terminate the employment of Mr. Hastings for any reason other than death, Disability, or Cause upon at least 30 days written notice to Mr. Hastings.

As of September 27, 2011, Mr. Hastings stepped aside as the Company's President/CEO. Pursuant to the terms of a September 27, 2011, addendum to Mr. Hastings' February 3, 2009, Employment Agreement with the Company ("Addendum"), Mr. Hastings continued to serve the Company in a non-executive capacity as Senior Advisor for Business Development. Under the Addendum, Mr. Hastings received the same compensation (then \$337,500) and benefits provided in the Hastings Agreement.

Under the Addendum, the Company provided Mr. Hastings with office supplies, computer equipment, and other necessary and appropriate support required to fulfill the responsibilities of his new position and reimbursed Mr. Hastings for his business expenses consistent with the Company's policies regarding business expense reimbursements. The Addendum also provided for reimbursement of certain legal expenses incurred by Mr. Hastings in connection with the changes to his employment status and gave the Company, under certain circumstances, the right of first refusal to buy back shares of the Company's Common Stock acquired by Mr. Hastings through the exercise of options granted to him by the Company under a February 3, 2009, Non-qualified Stock Option Award Agreement and a Non-qualified Option Performance Award Agreement of the same date (collectively, the "Option Agreements"). The Addendum also amended the Option Agreements to extend the term under which Mr. Hastings can exercise the underlying options until the later of the date provided for in the agreements or December 31, 2015, and to permit Mr. Hastings to pay some or all of the exercise price of options by surrendering to the Company shares of the Company's Common Stock that he already owns at the time of exercise. The Board has authorized a corresponding amendment to the 1998 Stock Incentive Plan to permit the exercise of options through this contemplated process.

As a result of the Company's termination of the employment of Mr. Hastings effective July 16, 2012, other than for death, Disability, or Cause, the Company became obligated to pay to Mr. Hastings a defined severance benefit (the "Severance Benefit"). The Severance Benefit equals the amount of base salary that Mr. Hastings would have received if he remained employed for the balance of the Term, based upon his then-current base salary without further increase (\$350,958); provided, however, that the Severance Benefit will not be less than 24 months of the then-current salary of Mr. Hastings without further increase. The Severance Benefit as so determined shall be divided into 24 equal monthly amounts and paid out to Mr. Hastings after the termination of employment, provided that the first six monthly amounts are subject to a six-month waiting period

under Section 409A of the Internal Revenue Code, and are to be paid in a single installment after the expiration of the six-month waiting period.

Mr. Lafargue

On August 2, 2010, the Company entered into an Employment Agreement ("Lafargue Agreement") with Mr. Lafargue under which he serves as the Company's CFO/Treasurer, effective as of August 2, 2010.

The Lafargue Agreement provides for a three-year term of employment (the "Initial Term"), commencing on August 2, 2010, unless earlier terminated as provided in the Lafargue Agreement. If not terminated earlier than August 2, 2013, the Initial Term will automatically renew for one or more successive two-year periods (each, a "Renewal Term") unless in each case at least six months prior to the end of the Initial Term or Renewal Term, as the case may be, either the Company or Mr. Lafargue gives written notice to the other party electing to permit the Lafargue Agreement to terminate on the last day of the Initial Term or Renewal Term, as the case may be. Under the Lafargue Agreement, Mr. Lafargue will devote substantially all of his business time and attention and best efforts to the affairs of the Company and its subsidiaries and his duties. He will report to the Company's President and CEO. Mr. Lafargue is paid an annual salary of \$240,000, subject to an Annual Increase. Mr. Lafargue is entitled to receive cash bonuses recommended in the future by the CNG Committee and approved by the Board. Mr. Lafargue is entitled to reimbursement of relocation expenses, certain advisory expenses, and reimbursement of his business expenses while performing services for the Company.

The Lafargue Agreement confirms the award to Mr. Lafargue of 800,000 non-qualified stock options under the Company's 1998 Stock Incentive Plan, of which 400,000 were time-based options and 400,000 were performance-based options that were to vest only upon the closing of the Evans Shoal Transaction on or before June 30, 2011. Because that transaction did not close, the performance-based options were forfeited as of June 30, 2011, and allocated back to the share reserve for the 1998 Stock Incentive Plan.

The Lafargue Agreement may be terminated by the Company in the event of Mr. Lafargue's death or "disability" (as defined in the Lafargue Agreement). If Mr. Lafargue dies or becomes disabled, then the Company will pay Mr. Lafargue or his representatives: (i) his base salary 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 in which termination of employment occurs; (ii) any other compensation and benefits to the extent actually earned by him under any other benefit plan or program of the Company as of the date of such termination of employment; and (iii) any reimbursement amounts owing to Mr. Lafargue (the amounts in (i), (ii), and (iii) are referred to as the "Accrued Obligations"). The Lafargue Agreement may also be terminated for "Cause" by the Company. "Cause" is defined as (i) an act or acts of dishonesty or fraud relating to the performance of his services to the Company; (ii) a breach of his duties or responsibilities under the Lafargue Agreement resulting in significant demonstrable injury to the Company or any of its subsidiaries; (iii) his conviction of a felony or any crime involving moral turpitude; (iv) his material failure (for reasons other than death, illness, injury, or Disability) to perform his duties or insubordination (defined as refusal to execute or carry out the lawful directions from the Board or its duly-appointed designees) where he has been given written notice of the acts or omissions constituting such failure or insubordination and he has failed to cure such conduct, where susceptible to cure, within ten days following such notice; or (v) a breach of any provision of any material policy of the Company or any of his non-competition, non-disclosure, and related obligations under the Lafargue Agreement. If the Lafargue Agreement is terminated for "Cause," Mr. Lafargue will only be entitled to receive payment of the Accrued Obligations.

The Company is entitled to terminate Mr. Lafargue's employment for any reason other than non-renewal, death, Disability, or Cause upon at least 30 days written notice to Mr. Lafargue. If the Company terminates Mr. Lafargue's employment for any reason other than non-renewal, death, Disability, or Cause, then the Company shall pay to Mr. Lafargue (i) the Accrued Obligations; (ii) a defined severance benefit (the "Severance Benefit"); and (iii) certain continuing health insurance payment benefits if Mr. Lafargue elects to continue insurance coverage under the Company's health insurance plans pursuant to COBRA following termination of employment. The Severance Benefit shall equal the amount of base salary that Mr. Lafargue would have received if he remained employed for the balance of the Initial Term or Renewal Term, as the case may be, based upon his then-current base salary without further increase; provided, however, that the Severance Benefit may not be less than an amount equal to 12 months of Mr. Lafargue's then-current salary without further increase. The Severance Benefit as so determined shall be divided

into 12 equal installments and paid out to Mr. Lafargue after termination of employment according to a one-year payment schedule.

Mr. Lafargue is also entitled to terminate his employment with the Company for "Good Reason." In the event of his termination of employment for Good Reason, Mr. Lafargue 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, which shall be paid according to the same one-year payment schedule described above. "Good Reason" means, without Mr. Lafargue's consent: (A) a material negative change in the scope of the authority, functions, duties, or responsibilities of his employment from that which is contemplated by the Lafargue 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 he must perform services from the Portland, Maine, metropolitan area; or (C) any material breach by the Company of any provision of the Lafargue Agreement without Mr. Lafargue having committed any material breach of his obligations under the Lafargue Agreement, in each case of (A), (B), or (C), which breach is not cured by the Company within 30 days following written notice thereof to the Company of such breach. If Mr. Lafargue elects to terminate his employment for any reason other than Good Reason, he will be entitled to payment of only the Accrued Obligations but may, if the Company elects, be entitled to receive an amount equal to one month of his then-current base salary.

Executive Compensation Tables

The following table sets forth certain summary information concerning the fiscal year ended June 30 compensation awarded to, paid to, or earned by Mr. Wilson, our President/CEO since September 27, 2011, Mr. Hastings, our President/CEO during that portion of the fiscal year 2012 from July 1, 2011, to September 27, 2011, Mr. Lafargue, our CFO/Treasurer since August 2, 2010, and Mr. Pharo, our Vice President-General Counsel and Secretary from November 30, 2011, to September 5, 2012.(together, our NEOs).

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (4)	Stock Awards (\$) (5)	Option Awards (\$) (5)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
J. Thomas Wilson, President/CEO (1)	2012	\$317,894 (6)	\$30,000	\$25,200 (7)	\$149,228	\$—	\$64,060 (8)	\$586,382
William H. Hastings, Former President/CEO (2)	2012	\$361,254	\$—	\$—	\$—	\$—	\$28,053 (9)	\$389,307
Antoine J. Lafargue, CFO/Treasurer	2011	\$325,021	\$—	\$—	\$—	\$—	\$28,806 (9)	\$353,827
Milam Randolph Pharo, Former Vice President-General Counsel and Secretary (3)	2012	\$293,338 (10)	\$170,000	\$—	\$377,974	\$—	\$30,738 (10)	\$872,050
	2011	\$220,000	\$—	\$—	\$432,399	\$—	\$66,883 (10)	\$719,282
	2012	\$124,605 (11)	\$10,000	\$—	\$324,647	\$—	\$—	\$459,252

Mr. Wilson was appointed as the Company's President/CEO effective September 27, 2011. Mr. Wilson also serves as a Director of the Company. Prior to September 27, 2011, Mr. Wilson received compensation for services as a (1) Director, in amounts that pursuant to the SEC reporting rules are included in this Summary Compensation Table and are set forth and described in the footnotes below. The Company discontinued compensating Mr. Wilson for his services as a Director upon his appointment as President/CEO.

(2) The Board appointed Mr. Hastings as the Company's President/CEO effective December 11, 2008, and he served in those positions until September 27, 2011. Although Mr. Hastings served as President/CEO for only a portion of the fiscal year ended June 30, 2012, he continued to serve the Company through the remainder of the fiscal year ended June 30, 2012 in the capacity of Senior Advisor for Business Development, and all of his compensation for that year is included in this table as required by SEC rules. A prorated amount of his salary for the time he was

serving as President/CEO during the fiscal year ended June 30, 2012 would have been approximately \$84,365. Mr. Hastings also served as a Director of the Company during the fiscal year ended June 30, 2012. Mr. Hastings resigned from the Board on July 16, 2012.

Mr. Pharo was appointed as the Company's Vice President - General Counsel and Secretary effective (3) November 30, 2011. Mr. Pharo retired from that position effective September 5, 2012. Approximately \$121,743 of the stock option award was forfeited due to Mr Pharo's retirement on September 5, 2012.

On June 26, 2012, the CNG Committee approved special cash bonuses for certain employees of the Company in (4) connection with their extraordinary efforts to facilitate the May 2012 closing of the Company's significant asset swap

transaction with Santos QNT Pty. Ltd. and Santos Limited that resulted in net cash proceeds to the Company of AUD \$25.0 million, and other accomplishments.

(5) Amounts reported represent the aggregate grant date fair value of the equity awards calculated in accordance with ASC Topic 718.

Includes \$16,129 in accrued additional salary for vacation days not taken. Also includes \$11,200 for fees paid in cash for services as a Director, which represents one-quarter of the total of (a) the \$35,000 annual retainer for

(6) Directors; and (b) the \$9,800 Make-Up Payment as described in footnote (1) to the Director Compensation Table above, as prorated to reflect the portion of the fiscal year ended June 30, 2012 that Mr. Wilson served as a non-employee Director prior to his appointment as President/CEO effective September 27, 2011.

On July 1, 2011, an annual stock award of 15,000 shares of common stock was granted to Mr. Wilson for services (7) as a Director, pursuant to Section 9 of the 1998 Stock Incentive Plan. The fair market value of a share of common stock on July 1, 2011 was \$1.68.

Amounts reported for Mr. Wilson for 2012 include payments of: (a) \$59,000 in cash compensation pursuant to Mr. Wilson's consulting agreement with the Company discussed under "Certain Relationships and Related Person Transactions - Agreements with J. Thomas Wilson" above, which compensation was paid prior to Mr. Wilson's (8) appointment as President and Chief Executive Officer of the Company effective September 27, 2011; (b) \$1,250 for health insurance premiums; (c) \$1,560 for parking; and (d) \$2,250 for one-quarter of the annual \$9,000 medical reimbursement payable to Directors, as part of Mr. Wilson's compensation for his services as a non-employee Director prior to his appointment as President/CEO effective September 27, 2011.

Amounts reported for Mr. Hastings for 2012 include payments of: (a) \$3,610 for life insurance premiums; (b) \$7,436 for disability insurance premiums; (c) \$7,068 for health insurance premiums; (d) \$8,379 for a leased (9) automobile; and (e) \$1,560 for parking. Amounts reported for Mr. Hastings for 2011 include payments of:

(a) \$4,785 for life insurance premiums; (b) \$7,126 for disability insurance premiums; (c) \$6,956 for health insurance premiums; (d) \$8,379 for a leased automobile; and (e) \$1,560 for parking.

Salary for Mr. Lafargue for 2012 includes \$32,3087 in accrued additional salary for vacation days not taken. All other compensation for Mr. Lafargue for 2012 include payments of: (a) \$20,655 for health insurance premiums; (b) \$8,523 from the Company's 3.50% match of his contributions to the Company's 401(k) plan; and (c) \$1,560 (10) for parking. All other compensation reported for Mr. Lafargue for 2011 include payments of: (a) \$20,212 for health insurance premiums; (b) \$1,560 for parking; (c) \$18,925 for relocation expenses; (d) \$4,186 from the Company's 3.50% match of his contributions to the Company's 401(k) plan; and (e) \$22,000 for legal expenses relating to the negotiation of employment terms.

(11) Includes \$9,423 in accrued additional salary for vacation days not taken.

Outstanding Equity Awards at Fiscal Year-End

The following table lists the outstanding equity awards as of June 30, 2012, for each of our NEOs:

Outstanding Equity Awards at Fiscal Year End

Name	Option Awards					Stock Awards			
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$)	Equity incentive plan awards: Number of unearned shares, or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested (\$)
J. Thomas Wilson (1)	193,750	—	—	\$1.20	7/1/2019	—	—	—	—
J. Thomas Wilson (1)	100,000	50,000	—	\$2.24	4/1/2020	—	—	—	—
J. Thomas Wilson (1)	—	125,000	—	\$1.08	11/7/2021	—	—	—	—
J. Thomas Wilson (1)	—	—	—	—	—	100,000	\$110,000	—	—
William H. Hastings	2,712,500	—	—	\$1.20	12/11/2018	—	—	—	—
Antoine J. Lafargue (2)	133,333	266,667	—	\$1.84	8/2/2020	—	—	—	—
Antoine J. Lafargue (2)	200,000	400,000	—	\$1.10	11/30/2021	—	—	—	—
Milam Randolph Pharo (3)	166,666	333,334	—	\$1.13	11/30/2021	—	—	—	—

(1) In connection with Mr. Wilson's appointment as the Company's President/CEO effective September 27, 2011, on November 7, 2011 Mr. Wilson was awarded (a) 250,000 non-qualified time-based stock options with an exercise price of \$1.08 per share; and (b) 100,000 shares of time-based restricted stock. The stock options vest in two annual installments as follows: (i) 125,000 options vested on September 27, 2012; and (ii) 125,000 options are scheduled to vest on September 27, 2013. The restricted stock vests (and becomes non-forfeitable) in two annual installments as follows: (x) 50,000 shares of restricted stock vested on September 27, 2012; and (y) 50,000 shares of restricted stock are scheduled to vest on September 27, 2013. Prior to his appointment as President/CEO, Mr. Wilson was granted the following stock options: (a) 387,500 options granted on February 2, 2009 with an exercise price of \$1.20 per share, all of which options were vested as of June 30, 2012; and (b) 300,000 options granted on April 1, 2010 with an exercise price of \$2.24 per share, of which 200,000 options were vested as of June 30, 2012 and the remaining 100,000 options are scheduled to vest on April 1, 2013. The option share numbers included in this table reflect certain transfers made by Mr. Wilson on May 8, 2012 of one-half of each of the options previously granted to Mr. Wilson, pursuant to a domestic relations order in connection with a marital dissolution proceeding. These transfers were exempt from reporting under Section 16 of the Exchange Act pursuant to SEC Rule 16a-12

thereunder. The market value of the 100,000 shares of restricted stock that had not vested as of June 30, 2012 is based on the closing market price of \$1.10 per share as reported by NASDAQ on June 29, 2012, the last trading day in the fiscal year ended June 30, 2012.

In connection with his initial appointment as the Company's CFO/Treasurer, on August 2, 2010, Mr. Lafargue was awarded 400,000 non-qualified, time-based stock options with an exercise price of \$1.84 per share, of which 133,333 vested on August 2, 2011. The remaining time-based option shares vest as follows: 133,333 option shares vested on August 2, 2012, and 133,334 option shares are scheduled to vest on August 2, 2013, provided that Mr. Lafargue remains employed by the Company through such date. On November 30, 2011, Mr. Lafargue was awarded a total of 600,000 non-qualified stock options with an exercise price of \$1.10 per share, comprised of 400,000 time-based options and 200,000 performance-based options. The time-based options are scheduled to vest in two equal annual installments as follows: (a) 200,000 option shares on November 30, 2012; and (b) 200,000 option shares on November 30, 2013. The performance-based options provide that (a) 100,000 option shares shall vest upon the completion of the Nautilus drilling program (which vesting condition was satisfied as of June 30, 2012); (b) 50,000 option shares shall vest upon the completion of the relocation of the Company's headquarters from Portland, Maine to Denver, Colorado (which vesting condition was satisfied as of June 30, 2012); and (c) 50,000 option shares shall vest upon completion of the Company's significant asset swap transaction with Santos QNT Pty. Ltd. and Santos Limited (which occurred in May 2012).

In connection with his initial appointment as the Company's Vice President-General Counsel and Secretary, Mr. Pharo, was awarded 500,000 non-qualified stock options with an exercise price of \$1.13 per share, 166,666 of which options vested on November 30, 2011. Upon Mr. Pharo's retirement from that position effective September 5, 2012, 333,334 of these options were cancelled.

Post Termination Payments and Benefits

For a narrative description of the material terms of each agreement that provides for payments or benefits to an NEO in the event of the termination of their respective employment under various circumstances, including upon resignation, retirement, disability, death, termination for cause, termination without cause, and termination for good reason, as defined in their respective agreements, or in the event of a change in control of the Company, see "Employment Agreements with Our 2012 Named Executive Officers," "Overview of Compensation for J. Thomas Wilson, the Company's President/CEO Since September 27, 2011," "Overview of Compensation for William H. Hastings, the Company's President/CEO for the period from December 11, 2008, through September 27, 2011," "Overview of the Compensation for Antoine J. Lafargue, CFO/Treasurer," and "Equity-Based Compensation." The employment of Mr. Hastings, who did not serve as an executive officer at June 30, 2012, was terminated effective July 15, 2012. Mr. Pharo retired from his executive officer position effective September 5, 2012, and did not receive any post-termination payments or benefits as a result thereof.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Management

The following table sets forth the number of shares of the Company's Common Stock owned beneficially as of October 11, 2012, (unless another date is specified by footnote below) by each Director of the Company and each NEO listed in the Summary Compensation Table included in Item 11 above, and by all current Directors and current executive officers of the Company as a group:

Name of Individual or Group	Amount and Nature of Beneficial Ownership*		Percent of Class (1)	
	Shares	Options		
Donald V. Basso, Director (2)	77,900	116,666	**	
Nikolay Bogachev, Director (3)	13,627,463	—	23.4	%
William H. Hastings, Former President and Chief Executive Officer, former Director (4)	428,888	2,712,500	5.55	%
Antoine J. Lafargue, Vice President - Chief Financial Officer and Treasurer (5)	—	666,666	**	
Walter McCann, Director (6)	141,868	150,000	**	
Robert J. Mollah, Director (7)	82,112	116,666	**	
Ronald P. Pettirossi, Director (8)	113,875	94,791	**	
Milam Randolph Pharo, Former Vice President - General Counsel and Secretary (9)	—	166,666	**	
J. Robinson West, Director (10)	155,000	166,666	**	
J. Thomas Wilson, President and Chief Executive Officer and Director (11)	527,902	356,250	1.63	%
Directors and Executive Officers as a Group (a total of 10 persons)	14,776,120	1,834,371	27.65	%

Unless otherwise indicated, each person listed has the sole power to vote and dispose of the shares listed. Under SEC Rule 13d-3 pursuant to the Securities Exchange Act of 1934, beneficial ownership includes shares as to which the individual or entity has or shares voting power or investment power, and any shares that the individual or entity has the right to acquire within 60 days, including through the exercise of any option, warrant, or right.

**The percent of class owned is less than 1%.

(1) Based on a total of 53,885,594 shares of Common Stock outstanding as of October 11, 2012.

Mr. Basso is the direct beneficial owner of 77,900 shares of Common Stock and holds time-based options to
(2) acquire an aggregate of 125,000 shares of Common Stock. Under SEC reporting rules, Mr. Basso has acquired
beneficial ownership

of the shares of Common Stock underlying 116,666 time-based options, which vested in installments on November 28, 2005 (100,000 options), April 1, 2011 (8,333 options), and April 1, 2012 (8,334 options). The remaining 8,333 time-based options are scheduled to vest on April 1, 2013.

The amount reported in the "Shares" column is based on Mr. Bogachev's, a Director, Form 4 filed with the SEC on December 9, 2010 and includes 15,000 shares owned directly and an aggregate of 13,612,463 shares (inclusive of 4,347,826 shares which YEP has the right to acquire pursuant to a warrant, the "Warrant") beneficially owned indirectly through YEP. Mr. Bogachev is the President and CEO of YEP, the Company's strategic investor since July 9, 2009. YEP has pledged 9,264,637 shares and the Warrant to purchase 4,347,825 shares to Sopak AG, a Swiss corporation, pursuant to a written pledge agreement. As discussed in the footnotes to the table under "Other Security Holders" below, on September 21, 2012, Sopak AG notified YEP that an event of default had occurred under the loan agreement related to the pledge agreement, and as a result Sopak AG and related entities have reported beneficial ownership of these same securities. On October 10, 2012, the 9,264,637 shares were re-registered in the name of Sopak AG.

(3) According to his most recently filed Form 4, Mr. Hastings is the holder of 428,888 shares of Common Stock and holds currently exercisable options to acquire 2,712,500 shares of Common Stock.

Mr. Lafargue holds time-based options to acquire an aggregate of 1,000,000 shares of Common Stock, consisting of 800,000 time-based options and 200,000 performance-based options. Under SEC reporting rules, Mr. Lafargue has acquired beneficial ownership of the shares of Common Stock underlying 200,000 performance-based options and 466,666 time-based options, 133,333 of which vested on August 2, 2011, 133,333 of which vested on August 2, 2012, and 200,000 of which are scheduled to vest on November 30, 2012 (within 60 days of October 11, 2012). The remaining 333,334 time-based options are scheduled to vest in two tranches, with the first tranche of 133,334 options to vest on August 2, 2013, and the second tranche of 200,000 options to vest on November 30, 2013.

Mr. McCann is the direct beneficial owner of 141,868 shares of Common Stock and holds time-based options to acquire an aggregate of 175,000 shares of Common Stock. Under SEC reporting rules, Mr. McCann has acquired beneficial ownership of the shares of Common Stock underlying 150,000 time-based options, which vested in installments on November 28, 2005 (100,000 options), April 1, 2011 (25,000 options), and April 1, 2012 (25,000 options). The remaining 25,000 time-based options are scheduled to vest on April 1, 2013.

Mr. Mollah is the direct beneficial owner of 82,112 shares of Common Stock and holds time-based options to acquire an aggregate of 125,000 shares of Common Stock. Under SEC reporting rules, Mr. Mollah has acquired beneficial ownership of the shares of Common Stock underlying 116,666 time-based options, which vested in installments on November 28, 2005 (100,000 options), April 1, 2011 (8,333 options), April 1, 2012 (8,333 options). The remaining 8,334 time-based options are scheduled to vest on April 1, 2013.

Mr. Pettrossi is the direct beneficial owner of 113,875 shares of Common Stock and holds time-based options to acquire an aggregate of 103,125 shares of Common Stock. Under SEC reporting rules, Mr. Pettrossi has acquired beneficial ownership of the shares of Common Stock underlying 94,791 time-based options, which vested in installments on November 28, 2005 (78,125 options), April 1, 2011 (8,333 options), and April 1, 2012 (8,333 options). The remaining 8,334 time-based options are scheduled to vest on April 1, 2013.

Mr. Pharo, who retired from the position of Vice President - General Counsel and Secretary on September 5, 2012, holds vested options to acquire an aggregate of 166,666 shares of Common Stock.

Mr. West is the direct beneficial owner of 155,000 shares of the Company's Common Stock and holds time-based options to acquire an aggregate of 250,000 shares of Common Stock. Under SEC reporting rules, Mr. West has acquired beneficial ownership of the shares of Common Stock underlying 166,666 of the time-based options, which vested in installments on April 1, 2011 (83,333 options), and April 1, 2012 (83,333 options). The remaining 83,334 time-based options are scheduled to vest on April 1, 2013.

(10) Mr. Wilson is the direct beneficial owner of 527,902 shares of the Company's Common Stock and holds options to acquire an aggregate of 468,750 shares, consisting of 406,250 time-based options and 62,500 performance-based options. Under SEC reporting rules, Mr. Wilson has acquired beneficial ownership of the shares of Common Stock underlying 62,500 performance-based options, which vested in full on March 2, 2010, and 293,750 of the time-based options, which vested in installments on February 2, 2010 (43,750 options),

February 2, 2011 (43,750 options), April 1, 2011 (50,000 options), February 2, 2012 (43,750 options), April 1, 2012 (50,000 options), and September 27, 2012 (62,500 options). The remaining 112,500 time-based options are scheduled to vest in two tranches, with the first tranche of 50,000 options to vest on April 1, 2013, and the second tranche of 62,500 options to vest on September 27, 2013. The foregoing share and option amounts reflect certain transfers made by Mr. Wilson on May 8, 2012 of 370,902 shares of the Company's Common Stock and options to acquire an aggregate of 468,750 shares of the Company's Common Stock,

pursuant to a domestic relations order in connection with a marital dissolution proceeding. These transfers were exempt from reporting under Section 16 of the Exchange Act pursuant to SEC Rule 16a-12 thereunder.

Other Security Holders

The following table sets forth information (as of the date indicated) as to all persons or groups known to the Company to be beneficial owners

Name and Address of Beneficial Holder	Shares Beneficially Owned		Percent of Class	
Young Energy Prize S.A. 7 Rue Thomas Edison L-1445 Strassen Grand Duchy of Luxembourg	13,612,463	(1)	23.38	%(2)
Sopak AG 50 Berkeley Street London W1J 8HD United Kingdom	13,612,463	(3)	23.38	%(2)
William H. Hastings 2 Thurston Lane Falmouth, ME 04105	3,141,388	(4)	5.55	%(5)

This information is based on a Schedule 13D, as amended, filed by YEP with the SEC on July 31, 2009, and December 13, 2011, and Form 4 filings made by Mr. Bogachev, most recently on December 9, 2010. On July 9, 2009, the Company issued (a) 8,695,652 shares of the Company's Common Stock and (b) warrants to acquire 4,347,826 shares of Common Stock to YEP. Mr. Bogachev, a Director of the Company, is the President and Chief Executive Officer, and an equity owner of YEP. On July 30, 2009, YEP purchased an additional 568,985 shares of the Company's Common Stock in a private transaction, resulting in a total of 9,264,637 shares of Common Stock registered in the name of YEP. See Note (2) below for information regarding another beneficial holder that has reported beneficial ownership of these same securities.

The percentage shown was calculated on the basis of an assumed 58,233,420 shares of Common Stock outstanding as of October 11, 2012, including the 4,347,826 Warrant shares which are deemed to be outstanding under SEC beneficial ownership reporting rules.

This information is based on a Schedule 13D and Form 3 filed with the SEC by Sopak AG, Glencore International plc, Glencore International AG, and Glencore AG on September 28, 2012. Sopak AG is an indirect wholly-owned subsidiary of Glencore International plc. With respect to the (a) 9,264,637 shares of the Company's Common Stock, and (b) warrants to acquire 4,347,826 shares of Common Stock registered in the name of YEP as discussed in Note (1) above, such securities have been pledged to Sopak AG as collateral for a loan. The pledge agreement provides that upon the occurrence of an event of default under the loan agreement, Sopak AG may elect to (i) vote or direct the vote and dispose or direct the disposition of the shares, and (ii) exercise or direct the exercise of the warrants. On September 21, 2012, Sopak AG delivered to YEP a letter notifying YEP that an event of default had occurred under the loan agreement and indicating Sopak AG's election to transfer the shares and warrants to itself and exercise its rights to vote the shares. On October 10, 2012, the 9,264,637 shares were re-registered in the name of Sopak AG.

Reflects 428,888 shares of Common Stock held by Mr. Hastings and currently exercisable options held by Mr. Hastings to acquire 2,712,500 shares of Common Stock.

The percentage shown was calculated on the basis of an assumed 56,598,094 shares of Common Stock outstanding as of October 11, 2012, including the 2,712,500 option shares which are deemed to be outstanding under SEC beneficial ownership reporting rules.

Equity Compensation Plan Information

The following table provides information as of June 30, 2012 with respect to compensation plans, including the 1998 Stock Incentive Plan and individual compensation arrangements, under which shares of the Company's Common Stock are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (a) (#)	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights (b) (\$)	Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) (#)
Equity compensation awards under the 1998 Stock Incentive Plan approved by security holders	6,753,125	\$1.44	435,000
Equity compensation awards not approved by security holders	825,000	(1) \$1.10	(1) —

Consists of inducement equity awards outside of the Company's 1998 Stock Incentive Plan, as follows: (i) options to purchase 500,000 shares of common stock for \$1.13 per share granted to Mr. Pharo on November 30, 2011; (ii) options to purchase 250,000 shares of common stock for \$1.07 per share granted to a new employee on December 14, 2011; and (iii) options to purchase 75,000 shares of common stock for \$1.01 per share granted to a new employee on January 10, 2012. These awards were granted in accordance with NASDAQ Listing (1)Rule 5635(c)(4) and were previously reported in Current Reports on Form 8-K filed by the Company. In addition, as also previously reported in a Current Report on Form 8-K filed by the Company, on September 5, 2012, the Company granted an inducement equity award to Mr. Brannum that included options to purchase 800,000 shares of common stock for \$1.12 per share. Further, options to purchase 333,334 shares granted to Mr. Pharo as described above were canceled in connection with his retirement from the position of Vice President - General Counsel and Secretary effective September 5, 2012.

PART IV

ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) and (a)(2) Financial Statements and Financial Statement Schedules:

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Report of Independent Registered Public Accounting Firm	47
Report of Independent Registered Public Accounting Firm	48
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Consolidated Statements of Comprehensive Income (Loss)	52
Consolidated Statements of Stockholders' Equity	53
Consolidated Statements of Cash Flows	54
Notes to Consolidated Financial Statements	56

All schedules are omitted because the required information is not applicable or is not present in amounts sufficient to require submission of the schedule or because the information required is included in the consolidated financial statements and notes thereto.

(b) Exhibits. The following exhibits are filed or furnished with or incorporated by reference into this report on Form 10-K:

EXHIBIT NUMBER	DESCRIPTION
2.1	Lease Purchase and Sale and Participation Agreement among Magellan Petroleum Corporation, Nautilus Poplar LLC, and VAALCO Energy (USA), Inc., dated as of September 6, 2011 (filed as Exhibit 2.1 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
2.2	Purchase and Sale Agreement among Magellan Petroleum Corporation and the members of Nautilus Technical Group LLC and Eastern Rider LLC, dated as of September 2, 2011 (filed as Exhibit 2.2 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
2.3	Sale Agreement among Magellan Petroleum (NT) Pty Ltd, Santos QNT Pty Ltd, and Santos Limited, dated September 14, 2011 (filed as Exhibit 2.3 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
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 to 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	Petroleum Lease No. 4 dated November 18, 1981 granted by the Northern Territory of Australia to United Canso Oil & Gas Co. (N.T.) Pty Ltd. (filed as Exhibit 10(a) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
10.2	Petroleum Lease No. 5 dated November 18, 1981 granted by the Northern Territory of Australia to Magellan Petroleum (N.T.) Pty. Ltd. (filed as Exhibit 10(b) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
10.3	Palm Valley Petroleum Lease (OL3) dated November 9, 1982 (filed as Exhibit 10(d) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
10.4	Palm Valley Operating Agreement dated April 2, 1985 among Magellan Petroleum (N.T.) Pty. Ltd., C.D. Resources Pty. Ltd., Farmout Drillers N.L., Canso Resources Limited, International Oil Proprietary, Pancontinental Petroleum Limited, I.E.D.C. Australia Pty. Ltd., Southern Alloys Ventures Pty. Limited, and Amadeus Oil N.L. (filed as Exhibit 10(f) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
10.5	Mereenie Operating Agreement dated April 27, 1984 among Magellan Petroleum (N.T.) Pty. Ltd., United Oil & Gas Co. (N.T.) Pty. Ltd., Canso Resources Limited, Oilmin (N.T.) Pty. Ltd., Krewliff Investments Pty. Ltd., Transoil (N.T.) Pty. Ltd., and Farmout Drillers NL, and Amendment thereto dated

- October 3, 1984 (filed as Exhibit 10(g) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
- 10.6 Palm Valley Gas Purchase Agreement dated June 28, 1985 among Magellan Petroleum (N.T.) Pty. Ltd., C.D. Resources Pty. Ltd., Farmout Drillers N.L., Canso Resources Limited, International Oil Proprietary, Pancontinental Petroleum Limited, IEDC Australia Pty Limited, Amadeus Oil N.L., Southern Alloy Venture Pty. Limited, and Gasgo Pty. Limited, including the Guarantee of the Northern Territory of Australia dated June 28, 1985 and the Certification Letter dated June 28, 1985 that the Guarantee is binding (filed as Exhibit 10(h) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
- 10.7 Agreements dated June 28, 1985 relating to the Amadeus Basin - Darwin Pipeline, including a Deed of Trust related to Amadeus Gas Trust, an Undertaking by the Northern Territory Electric Commission, and an Undertaking from the Northern Territory Gas Pty Ltd. (filed as Exhibit 10(j) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
- 10.8 Agreement among the Mereenie Producers and the Palm Valley Producers dated June 28, 1985 (filed as Exhibit 10(k) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999 and incorporated herein by reference)
- 10.9 Palm Valley Renewal of Petroleum Lease dated November 6, 2003 (filed as Exhibit 10(s) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2004 and incorporated herein by reference)
- 10.10+ Form of Indemnification Agreement between Magellan Petroleum Corporation and directors and officers pursuant to Article Sixteenth of the Restated Certificate of Incorporation and the By-Laws (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on June 2, 2009 and incorporated herein by reference)
- 10.11+ 1998 Stock Option Plan (filed as Exhibit 4.A. to the registrant's Registration Statement on Form S-8 filed on January 14, 1999 (Registration No. 333-70567) and incorporated herein by reference)

- 10.12+ First Amendment to the 1998 Stock Option Plan dated October 24, 2007 (filed as Exhibit 10(n) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and incorporated herein by reference)
- 10.13+ 1998 Stock Incentive Plan, as amended and restated through September 28, 2010 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on December 13, 2010 and incorporated herein by reference)
- 10.14+ Form of Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and officers and directors (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on November 30, 2005 and incorporated herein by reference)
- 10.15+ Form of Amendment to Non-Qualified Stock Option Agreement between Magellan Petroleum Corporation and directors (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on December 15, 2008 and incorporated herein by reference)
- 10.16+ Employment Agreement between Magellan Petroleum Corporation and William H. Hastings, dated as of February 3, 2009 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on February 9, 2009 and incorporated herein by reference)
- 10.17+ Indemnification Agreement between Magellan Petroleum Corporation and William H. Hastings, dated as of February 3, 2009 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on February 9, 2009 and incorporated herein by reference)
- 10.18+ Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and William H. Hastings, dated as of February 3, 2009 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on February 9, 2009 and incorporated herein by reference)
- 10.19+ Non-Qualified Stock Option Performance Award Agreement between Magellan Petroleum Corporation and William H. Hastings, dated as of February 3, 2009 (filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K filed on February 9, 2009 and incorporated herein by reference)
- 10.20+ Employment Agreement Addendum between Magellan Petroleum Corporation and William H. Hastings, dated as of September 27, 2011 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on October 3, 2011 and incorporated herein by reference)
- 10.21 Warrant Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated July 9, 2009 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on July 14, 2009 and incorporated herein by reference)
- 10.22 Amended and Restated Warrant Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated March 11, 2010 (filed as Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed on May 14, 2010 and incorporated herein by reference)
- 10.23 Registration Rights Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated July 9, 2009 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on July 14, 2009 and incorporated herein by reference)
- 10.24 First Amendment to Registration Rights Agreement among Magellan Petroleum Corporation, Young Energy Prize S.A., and YEP I, SICAV-FIS, dated as of October 14, 2009 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on October 19, 2009 and incorporated herein by reference)
- 10.25 Second Amendment to Registration Rights Agreement among Magellan Petroleum Corporation, Young Energy Prize S.A., and ECP Fund, SICAV-FIS, dated June 23, 2010 (filed as Exhibit 10(xx) to the registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2010 and incorporated herein by reference)
- 10.26+ Consulting Agreement between Magellan Petroleum Corporation and J. Thomas Wilson, dated July 9, 2009 (filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K filed on July 14, 2009 and incorporated herein by reference)
- 10.27+ Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and J. Thomas Wilson, dated July 9, 2009 (filed as Exhibit 10.5 to the registrant's Current Report on Form 8-K filed on July 14, 2009 and incorporated herein by reference)
- 10.28+

Non-Qualified Stock Option Performance Award Agreement between Magellan Petroleum Corporation and J. Thomas Wilson, dated July 9, 2009 (filed as Exhibit 10.6 to the registrant's Current Report on Form 8-K filed on July 14, 2009 and incorporated herein by reference)

10.29+ Employment Agreement between Magellan Petroleum Corporation and J. Thomas Wilson dated November 2, 2011 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K/A filed on November 16, 2011 and incorporated herein by reference)

10.30+ Indemnification Agreement between Magellan Petroleum Corporation and J. Thomas Wilson dated November 2, 2011 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K/A filed on November 16, 2011 and incorporated herein by reference)

10.31+ Nonqualified Stock Option Award Agreement between Magellan Petroleum Corporation and J. Thomas Wilson dated November 16, 2011 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K/A filed on November 16, 2011 and incorporated herein by reference)

10.32+ Restricted Stock Award Agreement between Magellan Petroleum Corporation and J. Thomas Wilson dated November 16, 2011 (filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K/A filed on November 16, 2011 and incorporated herein by reference)

10.33 First Amended and Restated Operating Agreement of Nautilus Poplar, LLC among Nautilus Technical Group, LLC, White Bear, LLC, YEP I, SICAV-FIS, and Eastern Rider, LLC dated as of October 14, 2009 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on October 19, 2009 and incorporated herein by reference)

10.34+ Employment Agreement between Magellan Petroleum Corporation and Susan M. Filipos, dated as of September 28, 2009 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on May 7, 2010 and incorporated herein by reference)

- 10.35+ Employment Agreement between Magellan Petroleum Corporation and Susan M. Filipos, dated as of September 28, 2009, as amended on August 16, 2011 (filed as Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
- 10.36+ Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and Susan M. Filipos, dated as of October 1, 2009 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on May 7, 2010 and incorporated herein by reference)
- 10.37+ Indemnification Agreement between Magellan Petroleum Corporation and Susan M. Filipos, dated as of May 3, 2010 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on May 7, 2010 and incorporated herein by reference)
- 10.38 Assets Sale Deed between Magellan Petroleum Australia Limited and Santos Offshore Pty Ltd., dated as of March 25, 2010 (filed as Exhibit 2.1 to the registrant's Quarterly Report on Form 10-Q filed on May 14, 2010 and incorporated herein by reference)
- 10.39+ Form of Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and non-employee directors, dated April 1, 2010 (filed as Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed on May 14, 2010 and incorporated herein by reference)
- 10.40+ Form of Restricted Stock Award Agreement between Magellan Petroleum Corporation and non-employee directors, dated April 1, 2010 (Version A) (filed as Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed on May 14, 2010 and incorporated herein by reference)
- 10.41+ Form of Restricted Stock Award Agreement between Magellan Petroleum Corporation and non-employee directors, dated April 1, 2010 (Version B) (filed as Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed on May 14, 2010 and incorporated herein by reference)
- 10.42+ Employment Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue, dated as of August 2, 2010 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on August 4, 2010 and incorporated herein by reference)
- 10.43+ Indemnification Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue, dated as of August 2, 2010 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on August 4, 2010 and incorporated herein by reference)
- 10.44+ Non-Qualified Stock Option Award Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue, dated as of August 2, 2010 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on August 4, 2010 and incorporated herein by reference)
- 10.45+ Non-Qualified Stock Option Performance Award Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue, dated as of August 2, 2010 (filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K filed on August 4, 2010 and incorporated herein by reference)
- 10.46+ Nonqualified Stock Option Award Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue dated November 30, 2011 (filed as Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q filed on February 10, 2012 and incorporated herein by reference)
- 10.47+ Nonqualified Stock Option Performance Award Agreement between Magellan Petroleum Corporation and Antoine J. Lafargue dated November 30, 2011 (filed as Exhibit 10.8 to the registrant's Quarterly Report on Form 10-Q filed on February 10, 2012 and incorporated herein by reference)
- 10.48 Securities Purchase Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated August 5, 2010 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on August 11, 2010 and incorporated herein by reference)
- 10.49 Memorandum of Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated August 5, 2010 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on August 11, 2010 and incorporated herein by reference)
- 10.50 Investor Rights Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated August 5, 2010 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on August 11, 2010 and incorporated herein by reference)
- 10.51 Letter Deed dated December 23, 2010 between Magellan Petroleum Australia Limited and Santos Offshore Pty Ltd. (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on December

- 28, 2010 and incorporated herein by reference)
- 10.52 Deed of Variation between Magellan Petroleum Australia Limited and Santos Offshore Pty Ltd. dated as of January 31, 2011 (filed as Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed on May 16, 2011 and incorporated herein by reference)
- 10.53 Letter of Young Energy Prize S.A. to Magellan Petroleum Corporation dated January 13, 2011, effective as of December 23, 2010 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on January 18, 2011 and incorporated herein by reference)
- 10.54 First Amendment to Securities Purchase Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated February 11, 2011 (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on February 18, 2011 and incorporated herein by reference)
- 10.55 Second Amendment to Securities Purchase Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated February 17, 2011 (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on February 18, 2011 and incorporated herein by reference)
- 10.56 Investment Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated February 11, 2011 (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on February 18, 2011 and incorporated herein by reference)

- 10.57 Amended Side Letter to Investment Agreement between Magellan Petroleum Corporation and Young Energy Prize S.A., dated February 17, 2011 (filed as Exhibit 10.4 to the registrant's Current Report on Form 8-K filed on February 18, 2011 and incorporated herein by reference)
- 10.58 Release Agreement between Santos Offshore Party Ltd and Magellan Petroleum Australia Limited, dated as of July 21, 2011 (filed as Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
- 10.59 Registration Rights Agreement among Magellan Petroleum Corporation and the members of Nautilus Technical Group LLC and Eastern Rider LLC, dated September 2, 2011 (filed as Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
- 10.60 Gas Supply and Purchase Agreement among Magellan Petroleum (N.T.) Pty. Ltd., Santos Limited, and Santos QNT Pty. Ltd., dated September 14, 2011 (filed as Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed on November 14, 2011 and incorporated herein by reference)
- 10.61+ Offer Letter to Milam Randolph Pharo dated November 16, 2011 and accepted on November 30, 2011 (filed as Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q filed on February 10, 2012 and incorporated herein by reference)
- 10.62+ Nonqualified Stock Option Award and Subscription Agreement between Magellan Petroleum Corporation and Milam Randolph Pharo dated November 30, 2011 (filed as Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q filed on February 10, 2012 and incorporated herein by reference)
- 10.63+ Nonqualified Stock Option Award and Subscription Agreement between Magellan Petroleum Corporation and Blaine K. Spies dated December 14, 2011 (filed as Exhibit 10.9 to the registrant's Quarterly Report on Form 10-Q filed on February 10, 2012 and incorporated herein by reference)
- 14.1 Code of Conduct of Magellan Petroleum Corporation, as amended July 24, 2012 (filed as Exhibit 14.1 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 21.1 Subsidiaries of the Registrant (filed as Exhibit 21.1 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012 and incorporated herein by reference)
- 23.1 Consent of Ehrhardt Keefe Steiner & Hottman PC (filed as Exhibit 23.1 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 23.2 Consent of Deloitte & Touche LLP (filed as Exhibit 23.2 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 23.3 Consent of Allen & Crouch Petroleum Engineers Inc. (filed as Exhibit 23.3 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 23.4 Consent of Ryder Scott Company, L.P. (filed as Exhibit 23.4 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 23.5 Consent of Ehrhardt Keefe Steiner & Hottman PC (filed as Exhibit 23.1 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012 and incorporated herein by reference)
- 23.6 Consent of Deloitte & Touche LLP (filed as Exhibit 23.2 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012 and incorporated herein by reference)
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.1 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.2 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 31.3 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.1 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012 and incorporated herein by reference)
- 31.4

- Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.2 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012 and incorporated herein by reference)
- 31.5 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.1 to the registrant's Annual Report on Form 10-K/A filed on October 29, 2012 and incorporated herein by reference)
- 31.6 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed as Exhibit 31.2 to the registrant's Annual Report on Form 10-K/A filed on October 29, 2012 and incorporated herein by reference)
- 31.7* Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.8* Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of 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 Annual Report on Form 10-K filed on September 24, 2012)
- 32.2 Certification of Chief Financial 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 32.2 to the registrant's Annual Report on Form 10-K filed on September 24, 2012)
- 32.3 Certification of 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 Annual Report on Form 10-K/A filed on September 28, 2012)
- 32.4 Certification of Chief Financial 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 32.2 to the registrant's Annual Report on Form 10-K/A filed on September 28, 2012)

- 99.1 Summary reserves report of Allen & Crouch Petroleum Engineers, Inc. (filed as Exhibit 99.1 to the registrant's Annual Report on Form 10-K filed on September 24, 2012 and incorporated herein by reference)
- 99.2 Summary reserves report of Ryder Scott Company, L.P. (filed as Exhibit 99.2 to the registrant's Annual Report on Form 10-K filed on September 24, 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** XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB** XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

- * Filed herewith.
Previously furnished with the registrant's Annual Report on Form 10-K/A filed on September 28, 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 Section 13 or 15(d) 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

INDEX TO EXHIBITS

EXHIBIT

NUMBER DESCRIPTION

31.7 * Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.8 * Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

* Filed herewith.

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