MGE ENERGY INC
Form DEF 14A
March 23, 2011

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

OF MGE ENERGY, INC.

March 23, 2011

To the Shareholders of MGE Energy, Inc.:

You are cordially invited to attend the 2011 Annual Meeting of Shareholders. Instructions on making a reservation are provided on page 3 of the proxy statement. If you are not able to attend the annual meeting, a video recording will be available on MGE Energy's Web site at www.mgeenergy.com. The recording will be available on this Web site for approximately 12 months following the meeting. **Regardless of whether you plan to attend, please take a moment to vote your proxy.** The meeting will be held as follows:

Date:

Time:

Place:

Tuesday, May 17, 2011

11:00 a.m., local time

Marriott Madison West

1313 John Q. Hammons Drive

Middleton, Wisconsin

Items of Business

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To elect three Class I directors to terms of office expiring at the 2014 Annual Meeting of Shareholders;

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To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year 2011;

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To approve, by nonbinding vote, executive compensation;

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To recommend, by nonbinding vote, the frequency of future executive compensation votes; and

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To transact such other business as may properly come before the meeting.

Record Date

Shareholders of record at the close of business on March 11, 2011, are entitled to vote at the meeting.

Voting by Proxy

***Your vote is important*.** You may vote:

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Using the Internet.

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By telephone.

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By returning the proxy card in the envelope provided.

The matters to be acted upon at the meeting are described in the accompanying proxy statement.

By Order of the Board of Directors

/s/ Jeffrey C. Newman

Vice President, Chief Financial Officer,
Secretary and Treasurer

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 17, 2011:

This proxy statement and our 2010 annual report to shareholders are available at www.mgeenergy.com/proxy.

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QUESTIONS AND ANSWERS

Q.

Why am I receiving this proxy statement?

A.

We are sending this document to you because our Board of Directors is seeking your proxy to vote your shares at our annual meeting. The notice of annual meeting, proxy statement and accompanying proxy card are first being mailed on or about March 23, 2011, to shareholders of record at the close of business on March 11, 2011.

Q.

When and where will the annual meeting take place?

A.

The meeting will be held on Tuesday, May 17, 2011, at 11:00 a.m., local time, at the Marriott Madison West, 1313 John Q. Hammons Drive, Middleton, Wisconsin.

Q.

What is the purpose of the meeting?

A.

The purpose of the meeting is:

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To elect three Class I directors to terms of office expiring at the 2014 Annual Meeting of Shareholders;

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To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year 2011;

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To approve, by nonbinding vote, executive compensation;

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To recommend, by nonbinding vote, the frequency of future executive compensation votes; and

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To transact such other business as may properly come before the meeting.

Q.

Do I need a ticket to attend the meeting?

A.

Yes. If you are a registered shareholder and you plan to attend the meeting, please have your proxy card in hand and make your reservation online at https://www.proxyvotenow.com/mgee or fill out the enclosed reservation form and return it with your proxy card. **If your shares are held through a broker or its nominee and you would like to attend the meeting, please make your reservation online at http://www.mgeenergy.com/RSVP2011.** All shareholders may contact Shareholder Services at investor@mgeenergy.com or 800-356-6423 to make a reservation.

Your name tag is your admittance ticket to the meeting. Name tags will be mailed to shareholders making reservations before May 10, 2011. Name tags for late reservations will be available on the day of the meeting at the registration table.

Q.

Why did I receive more than one copy of this proxy statement?

A.

If you own our common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one copy of this document. This duplication can be eliminated. For information on combining the mailings into one, registered shareholders may contact Shareholder Services at investor@mgeenergy.com or toll-free at 800-356-6423. Street name holders should contact their broker.

Q.

Why is it important to vote?

A.

Your broker is no longer permitted to vote on your behalf on the election of directors and other nonroutine matters such as executive compensation. This change prohibits your broker from voting your shares in director elections without your direction. For your vote to be counted, you now need to communicate your voting instructions to your broker, bank or other financial institution before the date of the annual meeting. If you do not vote, your shares may not be represented at the annual meeting.

Q.

What is MGE Energy, Inc.?

A.

MGE Energy is an investor-owned public utility holding company formed in August 2002. Our headquarters are in Madison, Wisconsin, and we are the parent company of Madison Gas and Electric Company (MGE), our principal subsidiary. Our principal executive offices are located at 133 South Blair Street, Madison, Wisconsin 53703.

VOTING

Number of Votes Per Share

Each share of common stock issued and outstanding as of the record date for the meeting is entitled to one vote at the meeting, except as described below for shareholders who own more than a specified percentage of the common stock.

The record date for the meeting is March 11, 2011. Holders of record as of such date can vote in person at the meeting or by proxy. By giving us your proxy, you are authorizing the individuals named on the proxy card (the proxies) to vote your shares in the manner you indicate. On March 11, 2011, there were 23,113,638 shares of our common stock issued and outstanding.

Our Articles of Incorporation contain a provision limiting the voting power of any shareholder who acquires more than 10 percent of our outstanding voting stock. In addition, under the Wisconsin Business Corporation Law, the voting power of shares held by any person in excess of 20 percent of the voting power in the election of directors is limited to 10 percent of the full voting power of the excess shares. To our knowledge, neither of these limitations currently applies to any shareholder.

How Street Name Holders May Vote

If you own shares through a broker, the registered holder of those shares is your broker or its nominee. If you receive our proxy materials from your broker, you should vote your shares by following the procedures specified by your broker. Your broker will tabulate the votes it has received from its customers and submit a proxy card to us reflecting those votes. If you plan to attend the annual meeting and vote your shares in person, you should contact your broker to obtain a broker's proxy card and Shareholder Services to make a reservation for the meeting. Online reservations may be made at http://www.mgeenergy.com/RSVP2011. You may also e-mail Shareholder Services at investor@mgeenergy.com or call 800-356-6423 to make your reservation.

Please note that, in the absence of any direction from you, your broker is not allowed to vote your shares in the election of directors or on either of the advisory matters relating to executive compensation. Your vote is important to us, and so we hope you will make your choices known to your broker using the means they provide.

How Registered Holders May Vote

If you personally hold a certificate for your shares, have direct registration shares on our books or have shares held by us in the Direct Stock Purchase and Dividend Reinvestment Plan, then you are the registered holder. Shares you have accumulated in the Direct Stock Purchase and Dividend Reinvestment Plan are held by the administrator under the nominee name of Madge & Co. Those shares, including your certificate or direct registration shares, will be voted in accordance with the direction given by you on your proxy.

As a convenience to you, we are providing you with the option to vote by proxy via the Internet or via toll-free touch-tone telephone. Refer to your proxy card or e-notice for more information and instructions. If you prefer, you may cast your vote by returning your signed and dated proxy card. Instructions regarding all three methods of voting are included on the proxy card. The signature on the proxy card should correspond exactly with the name of the shareholder as it appears on the proxy card. Where stock is registered in the name of two or more persons, each of them should sign the proxy card. If you sign a proxy card as an attorney, officer, personal representative, administrator, trustee, guardian or in a similar capacity, please indicate your full title in that capacity.

In voting on:

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The election of directors in Proposal 1, you may vote for the election of all the nominees or you may withhold your votes as to all or specific nominees.

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The ratification of the selection of our independent registered public accounting firm in Proposal 2, you can specify whether you approve, disapprove or abstain.

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The advisory vote on executive compensation in Proposal 3, you can specify whether you approve, disapprove or abstain.

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The advisory vote on the frequency of future executive compensation voting in Proposal 4, you can specify three years, two years, one year or abstain.

If you sign and return the proxy card without specifying any instructions and without indicating expressly that you are not voting some or all of your shares on a particular proposal, your shares will be voted for the election of the nominees on the proxy card, for ratification of the selection of PricewaterhouseCoopers LLP, for approval of our executive compensation and for three years as the frequency for future votes on executive compensation.

Holders Needed to Establish a Quorum

A quorum is necessary to hold a valid meeting of shareholders. If holders of a majority of the outstanding shares of common stock are present in person or by proxy for any proposal to be acted upon at the meeting, then a quorum will exist for all proposals. In order to assure the presence of a quorum, please vote via the Internet, telephone or sign and return your proxy card promptly in the enclosed postage-paid envelope even if you plan to attend the meeting. Brokers are permitted to vote on the ratification of the selection of auditors, but not on any of the other items to be voted on at the annual meeting. Thus, broker votes as well as abstentions are counted for purposes of establishing a quorum for the meeting.

The Vote Necessary for Action to Be Taken

The three persons receiving the greatest number of votes will be elected to serve as Class I directors. Accordingly, withholding authority to vote for a director and abstentions will not affect the outcome of the election of directors.

More than one-half of the shares present in person or by proxy and entitled to vote at the annual meeting must vote for the ratification of the selection of auditors in order for that proposal to be approved. Abstentions have the same effect as a vote against ratification of the selection of our independent registered public accounting firm.

Although the advisory votes on Proposals 3 and 4 are nonbinding, as provided by law, our board will review the results of the votes and take them into account in making a determination concerning executive compensation and the frequency of such advisory votes.

Revocation of Proxies

If you are a registered holder of our common stock, you may revoke your proxy by giving a written notice of revocation to our Corporate Secretary at any time before your proxy is voted, by executing a later-dated proxy card that is voted at the meeting or by attending the meeting and voting your shares in person. If your shares are held by a broker, you must contact your broker to revoke your proxy. Attendance at the meeting will not automatically revoke your proxy.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 17, 2011

This proxy statement and our 2010 annual report to shareholders are available at www.mgeenergy.com/proxy. Shareholders can elect to receive e-mail alerts when proxy and annual meeting materials are available on the Internet instead of receiving paper copies in the mail. If you are a registered holder of our common stock, you may sign up for e-mail alerts, which will notify you when the proxy materials are available via the Internet, by contacting Shareholder Services. If your shares are held by a broker, you must contact your broker to receive these materials via the Internet.

Unless you prefer paper copies, please consider electronic delivery, which will help us reduce costs and the amount of resources used in connection with the annual meeting.

PROPOSAL 1 ELECTION OF DIRECTORS

As described below, the Board of Directors consists of nine directors divided into three classes, with each class having three directors. One class is elected each year for a term of three years. It is proposed that the three nominees listed below be elected to serve as Class I directors for three-year terms to expire at the 2014 annual meeting and upon the election and qualification of their successors. Your proxy may not be voted for a greater number of persons than the three nominees below.

All of our directors serve concurrently as directors of MGE. As discussed below under "Board of Directors Information," our Board of Directors has determined that all of our directors, other than Messrs. Stolper and Wolter, are independent as defined in the applicable Nasdaq Stock Market, Inc., listing standards. All of our directors live in our service area and have been active in the communities we serve. We believe that involvement brings an important perspective to our board deliberations and our community energy company focus.

Mses. Millner and Dewey and Mr. Stolper are currently Class I directors whose terms expire at the 2011 Annual Meeting of Shareholders and who have been nominated by our board for reelection.

Each of the nominees has indicated a willingness to serve if elected, and the board has no reason to believe that any nominee will be unavailable for that service. If any nominee should become unable to serve, it is presently intended that your proxy will be voted for a substitute nominee designated by the board. Under the Company's retirement guidelines for directors, directors who have served as the chief executive officer or who have been retained as a salaried consultant shall resign from the board no later than the date and time of the Annual Meeting of Shareholders following their 70th birthday; and other directors are expected to retire after completing the term during which he or she attains the age of 73, unless requested to remain by the board.

The board believes the directors of MGE Energy collectively have backgrounds and skills important for MGE Energy's business. The following biographies summarize the experiences, qualifications and skills that qualify our nominees and continuing directors to serve as directors of the Company.

Nominees for Election to the Board of Directors

The following paragraphs provide information regarding the background and qualifications of the nominees to our Board of Directors, all of whom are current directors.

Names (Ages)* and Business Experience

Director

Since**

Nominees Class I Term Expiring in 2014

Regina M. Millner (66), Madison, Wisconsin

1996

Ms. Millner is President of RMM Enterprises, Inc., which specializes in complex real estate projects and where she provides various legal, consulting and brokerage services for private clients and governmental agencies. She is an attorney and has worked as an analyst and broker in commercial real estate for more than 31 years. We believe Ms. Millner's analytical and financial skills that have been applied to commercial real estate, including the analysis of general market conditions, local and regional community and business trends, market risks and opportunities, and financial returns, are valuable to the board in its consideration of general economic conditions in our service area and the consideration and evaluation of risks and opportunities in our business. Ms. Millner has served on our board for 15 years and has significant experience with our Company and its operations.

Londa J. Dewey (50), Madison, Wisconsin

2008

Ms. Dewey is President of QTI Management Services, Inc., d/b/a The QTI Group, a human resources and staffing company, which she has held since 2007. Prior thereto, she was former President of the Private Client Group and Market President at U.S. Bank where she was an employee from 1982 to 2007 and an Officer from 1985 to 2007. We believe Ms. Dewey's experience with financial analysis, investment management and risk assessment and management in the banking industry provides our board with valuable input on the identification, evaluation and assessment of financial and general business risks and the evaluation of strategies to address those risks and the implementation of our business strategy. We also believe Ms. Dewey's experience with human resource matters and knowledge of the local labor market are valuable resources in assessing our Company's employment policies and practices. Ms. Dewey holds the following directorships: American Family Insurance; Chair of the Board, Meriter Health Services, Inc., and Meriter Hospital; director, Edgewood High School; director, University of Wisconsin Family Business Advisory Board; director and former Chair, Camp Manitowish YMCA Board; and Vice Chair, United Way of Dane County Foundation.

Thomas R. Stolper (62), Madison, Wisconsin

2008

Mr. Stolper is Chief Financial Officer and a director of TRAC Microbiology, Inc., a food and consumer products testing, research, auditing and consulting corporation, for 10 years, and is Executive Vice President and a director of Pro Chemicals LLC, a manufacturer of cleaning and sanitizing products, for 9 years. He is a certified public accountant with over 40 years in public accounting. He was a partner in Clifton Gunderson LLP, certified public accountants and consultants, for 31 years. Mr. Stolper provided auditing, tax, financial services and advice for a broad array of business entities. In addition, he was an elected member of the firm's national board for 12 years. Mr. Stolper has served on numerous community and civic boards for more than 30 years including three terms as an elected public official. We believe Mr. Stolper's accounting, tax and auditing education and experience, as well as his business experience, assist our board in the review of accounting and financial reporting matters and in the review of proposed strategic plans and initiatives. We also believe that business experience, combined with his public service commitment and experience, assist in the evaluation of our business risks and opportunities within our service area and the consideration of the needs of the community we serve.

THE BOARD RECOMMENDS A VOTE "FOR" ALL NOMINEES.

Members of the Board of Directors Continuing in Office

The following paragraphs provide information regarding the background and qualifications of the continuing members of our Board of Directors.

Class II Term Expiring in 2012

H. Lee Swanson (72), Cross Plains, Wisconsin

1988

Mr. Swanson is the former Chairman of the Board and President of SBCP Bancorp, Inc., and Chairman of the Board of the State Bank of Cross Plains, with which he was associated for more than 45 years until his retirement in 2010. As the former Chief Executive Officer of a substantial community banking organization, Mr. Swanson brings extensive practical knowledge with respect to finance, capital markets and community relationships, which we believe to be important to the operation of our business. Mr. Swanson also has considerable experience with the analysis and evaluation of financial information and the management of financial exposures and related risk.

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John R. Nevin (67),
Madison, Wisconsin

1998

Mr. Nevin is Grainger Professor and Executive Director, Grainger Center for Supply Chain Management at the Wisconsin School of Business, University of Wisconsin-Madison, where he has been a faculty member for 40 years. We believe Mr. Nevin's business education background (B.A., M.S. and PhD degrees in business) and his business analytical abilities (extensive economic damage analysis of financial statements while serving as an expert in litigation) assist our board in its consideration and analysis of our business strategy and proposed projects and its evaluation of plan implementation and operational results.

Gary J. Wolter (56),
Madison, Wisconsin

2000

Chairman, President and CEO of MGE Energy, Inc., and Madison Gas and Electric Co., of which he has been an officer since 1989 and an employee since 1984. Mr. Wolter is the only member of management on our board. Mr. Wolter is an attorney and has been involved in the public utility business for over 25 years.

Class III Term Expiring in 2013

F. Curtis Hastings (65), Madison, Wisconsin

1999

Mr. Hastings is Chairman of J. H. Findorff & Son, Inc., a large commercial and industrial construction general contractor and design builder, with which he has been associated for more than 38 years. We believe Mr. Hastings' experience with the management and oversight of a large company brings an important perspective to our board in its oversight of our operations. His particular knowledge of the construction industry assists our board in its understanding and oversight of the various significant construction projects that we have undertaken over the past several years with respect to power plant construction, wind farm construction and the general construction activities that constitute a recurring part of an electric and gas utility's operations. He is familiar with the management and control of large projects, cost control and schedule management. Mr. Hastings has also served as a director of National Guardian Life Insurance Co. from 1981 to present.

James L. Possin (59), Madison, Wisconsin

2009

Mr. Possin is a tax consultant with James L. Possin CPA, LLC. In 1976, Mr. Possin started working at Grant Thornton LLP, a registered public accounting firm. From 1990 to 2007, he was a partner where he advised on tax- and financial-related matters. Mr. Possin is a certified public accountant and holds degrees in accounting and law from the University of Wisconsin-Madison. Mr. Possin also serves on the Audit Committee of Oakwood Lutheran Homes Association, Inc. We believe Mr. Possin's background and current accounting and tax employment adds valuable accounting, tax and financial reporting experience to our board. We believe that experience, and his familiarity with financial reporting principles and requirements, will assist in our board's oversight of financial reporting and tax matters as well as the identification and management of financial risk exposures.

Mark D. Bugher (62), Madison, Wisconsin

2010

Mr. Bugher is Director of the University Research Park, University of Wisconsin-Madison, a position he has held since 1999. Prior to joining the Research Park, he served the State of Wisconsin as Secretary of Administration from 1996 to 1999 and as Secretary of Revenue from 1988 to 1996. Mr. Bugher serves on the board of First Business Financial Services, Inc., as a member of the audit and compensation committees. Mr. Bugher also chairs the Wisconsin Technology Council and serves on the Greater Madison Chamber of Commerce Board (past chair 2008-2009). He is a recognized leader in the Madison business community and brings an understanding of the business environment and economy within our service area. As a result of his governmental service, Mr. Bugher has insights into public policies, priorities and objectives that assist our board in evaluating longer-range trends that may affect the community we serve and our business. His experience at the University Research Park will assist with fiscal and strategic matters as well as with the evaluation of technology trends and developments that may affect the generation and distribution of electricity and the distribution of gas.

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Ages as of December 31, 2010.

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Date when first became a director of MGE. Ms. Dewey and Mr. Stolper became directors of MGE Energy, Inc., in 2008. Mr. Possin became a director of MGE Energy, Inc., in 2009. Mr. Bugher became a director of MGE Energy, Inc., in 2010. The other persons became directors of MGE Energy, Inc., when it became the holding company of MGE in August 2002.

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PROPOSAL 2 RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The second proposal to be considered at the annual meeting is the ratification of our selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2011. If the shareholders do not ratify the selection or if PricewaterhouseCoopers LLP declines to act or otherwise becomes incapable of acting or if their appointment is otherwise discontinued, we will appoint other independent registered public accountants.

We selected PricewaterhouseCoopers LLP to audit our consolidated financial statements for 2011. PricewaterhouseCoopers LLP is expected to have a representative present at the 2011 annual meeting who may make a statement and will be available to respond to appropriate questions from shareholders.

Our Audit Committee approves each engagement of the independent registered public accounting firm to render any audit or non-audit services before the firm is engaged to render those services. The Chairman of the Audit Committee or other designated Audit Committee member may represent the entire Audit Committee for purposes of this approval. Any services approved by the Chairman or other designated Audit Committee member are reported to the full Audit Committee at the next scheduled Audit Committee meeting after such approval has been given. No exceptions to this approval process are allowed under the Audit Committee Charter; and thus, none of the services described in the following table were approved pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X, which otherwise would allow de minimis amounts of services to be provided without specific approval.

The following table presents fees for professional services rendered by PricewaterhouseCoopers LLP for the years ended December 31, 2010 and 2009. (Fees include amounts related to the year indicated, which may differ from amounts billed.)

Independent Registered Public Accounting Firm Fees Disclosure

2010 Fees

2009 Fees

Audit Fees:

Audit of financial statements and internal controls

$712,000

$712,000

Review of SEC filings, comfort letters and comment letters

$6,400

$3,500

Total Audit Fees

$718,400

$715,500

Audit-Related Fees:

Services rendered for utility commission-mandated obligations

$13,400

$10,500

Total Audit-Related Fees

$13,400

$10,500

Tax Fees:

Services rendered to change tax method of accounting for repairs

$53,359

$96,641

Review of federal and state income tax returns

$33,560

$32,600

Total Tax Fees

$86,919

$129,241

All Other Fees:

Federal stimulus grant pre-compliance assessment

$31,122

$0

Financial analysis for generation projects

$14,930

$0

Fee to access online accounting standards library

$3,600

$3,000

Total All Other Fees

$49,652

$3,000

THE BOARD RECOMMENDS A VOTE "FOR" THE RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011.

PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

As a result of recent changes in federal law, Section 14A of the Securities Exchange Act of 1934, as amended, requires publicly held companies, such as us, to seek a nonbinding advisory vote from its shareholders to approve its executive compensation as disclosed in its proxy statement in accordance with applicable Securities and Exchange Commission (SEC) rules. Because the required vote is advisory, it is not binding upon the board; however, our board intends to consider the results of that voting as it considers our executive compensation policies and practices.

Our Board of Directors recommends a vote "For" approval of our executive compensation, as disclosed below under "Executive Compensation" for the following reasons:

- **Good Company performance.**

The performance graph illustrates a five-year comparison of cumulative total returns based on an initial investment of $100 in MGE Energy common stock, as compared with the Russell 2000 and the EEI Index for investor-owned electrics for the period December 31, 2005, through December 31, 2010.

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Holding the line on executive compensation.

The Compensation Committee and the board believe it is important to control executive compensation. In 2010, the Compensation Committee retained Towers Watson to do a study comparing base pay, annual bonuses and long-term compensation of MGE Energy executives compared to a peer group. The study showed the chief executive officer (CEO) being paid at 67 percent of midpoint for his position when compared to the peer group. On average, the other named executive officers (NEOs) were compensated at 87 percent of midpoint.

The directors believe that shareholders are receiving performance significantly above average for executive compensation below that of peer group executives.

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Effective December 30, 2010, we modified our approach to change in control severance arrangements to limit the payments and to eliminate any gross-up for excise taxes.

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Our pay program is heavily performance-based. Our short-term incentives reward is based upon a performance assessment by our Compensation Committee. Our long-term incentives program is aligned to shareholder interests by being based on the relative value of our stock during a five-year period. The board is developing performance targets to be used for 2011 incentives.

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We do not have a stock option plan. Thus, we have not granted stock options or repriced stock options.

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It is not our custom to use employment contracts and we have none outstanding.

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Our Compensation Committee, which oversees executive compensation, uses an independent executive compensation consultant who was selected by the committee and who reports directly to the committee.

Our board believes it has been careful and prudent in its approach to executive compensation and has generally taken a conservative approach, taking into account the impact of such programs on our cost to customers and returns to our shareholders as well as the need to attract and retain qualified personnel. Our program is based on cash compensation, consisting of salary and short-term and long-term incentive compensation. Our program does not include stock options, restricted stock or stock awards. As you will learn from the discussion under "Executive Compensation," our approach to executive compensation during the past two years has been moderated by our assessment of general economic conditions in our service area and the general economy, which led to keeping salaries relatively unchanged during that period. When such considerations are less critical, our Compensation Committee monitors executive compensation programs and adopts changes to reflect the dynamic marketplace in which the Company competes for talent as well as general economic, regulatory and legislative developments affecting executive compensation. It also seeks to benchmark those programs against comparably sized public utility companies in the national economy as well as conditions in the local Madison area.

The Company will continue to emphasize compensation arrangements that align the financial interests of our executives with the interests of long-term shareholders.

You have the opportunity to vote "For," "Against" or "Abstain" from voting on the following resolution relating to executive compensation:

RESOLVED, that the shareholders of MGE Energy, Inc., common stock approve the compensation of the Company's executives as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and related material disclosed in the proxy statement.

THE BOARD RECOMMENDS A VOTE "FOR" ON THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.

PROPOSAL 4 ADVISORY VOTE ON THE FREQUENCY OF FUTURE EXECUTIVE COMPENSATION VOTING

The same recent changes in federal law, namely, Section 14A of the Securities Exchange Act of 1934, as amended, also require publicly held companies, such as us, to seek a nonbinding advisory vote from shareholders regarding how frequently the company should include in its proxy materials a proposal seeking a nonbinding advisory vote to approve executive compensation, as set forth in Proposal 3. Shareholders are not being asked to approve or disapprove of the board's recommendation, but rather to indicate their own choice from among the frequency options. This vote is advisory, and as such is not binding on the board. However, the board will take the results of the vote into account in making a determination concerning the frequency of advisory shareholder votes on executive compensation.

Our Board of Directors recommends the nonbinding advisory vote to approve executive compensation occur every three years for the following reasons:

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A three-year cycle would provide our Compensation Committee with a better opportunity to assess our compensation programs in response to the results of the most recent advisory vote. That vote is based upon compensation as disclosed in our proxy statement, which describes compensation earned during the past fiscal year. At that time, our compensation programs for the current year have been established. Thus, there is a delay between our receipt of results of the advisory vote and our ability to make any significant changes in response to that vote.

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A portion of our executive compensation involves long-term performance. We believe that a longer voting cycle gives shareholders a better opportunity to assess the effectiveness of those programs.

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A longer voting cycle provides us with more time to respond thoughtfully to shareholders' sentiments and evaluate and implement any appropriate changes to our executive compensation program.

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Finally, as described below under "Other Information," shareholders may contact our board at any time on matters of interest to them. We believe that such one-on-one communication provides a better opportunity to understand a shareholder's particular concerns, and to discuss our approach to those concerns, than an advisory vote that passes on the program as a whole with no specification as to the underlying concerns or objections.

THE BOARD RECOMMENDS SHAREHOLDERS SELECT "3 YEARS" FOR THE ADVISORY VOTE ON THE FREQUENCY OF EXECUTIVE COMPENSATION.

TRANSACTION OF OTHER BUSINESS

Our Board of Directors does not intend to present any business for action by our shareholders at the meeting except the matters referred to in this document. If any other matters should be properly presented at the meeting, it is the intention of the persons named in the accompanying form of proxy to vote thereon in accordance with the recommendations of our Board of Directors.

Whether or not you expect to be present at the meeting, please complete, sign, date and promptly return your proxy card in the enclosed postage-paid envelope, call the toll-free number or log onto the Internet.

BENEFICIAL OWNERSHIP

Beneficial Ownership of Common Stock

The following table lists the beneficial ownership of our common stock as of December 31, 2010 (except as otherwise noted), of each director and nominee, the individuals named in the Summary Compensation Table and the directors and executive officers as a group, and each person known to us to be the beneficial owner of more than 5 percent of our outstanding common stock. In each case, the indicated owner has sole voting power and sole investment power with respect to the shares shown except as noted.

Name	Number of Shares Beneficially Owned	Percent of Outstanding Common Stock
Mark D. Bugher	350 (1)	*
Londa J. Dewey	3,000	*
Kristine A. Euclide	3,345 (2)	*

F. Curtis Hastings	3,939	*
Lynn K. Hobbie	4,137 (2)(3)	*
Regina M. Millner	1,386	*
Scott A. Neitzel	3,579 (2)	*
John R. Nevin	2,444	*
Jeffrey C. Newman	4,377 (2)(3)	*
James L. Possin	375 (1)	*
Thomas R. Stolper	1,700	*

H. Lee Swanson	8,000	*
Gary J. Wolter	11,172 (2)(3)	*
All directors and executive officers as a group (15 persons)	59,032 (3)	*
BlackRock, Inc.	1,368,284 (4)	5.92%

*

Less than 1 percent.

(1)

Mr. Possin and Mr. Bugher became directors on November 18, 2009, and September 17, 2010, respectively. In accordance with our Corporate Governance Guidelines, directors and executives are required to purchase at least $25,000 of common stock, which may be purchased over a period of five years from the time of their initial election.

(2)

K. Euclide, L. Hobbie, S. Neitzel, J. Newman and G. Wolter are directors of Madison Gas and Electric Foundation, Inc., and, as such, have shared voting and investment power in an additional 12,000 shares of our common stock held by the Foundation. These shares are not shown in the numbers in the table. The Foundation was formed by, and receives contributions primarily from, MGE, which contributions are used for charitable purposes.

(3)

Includes common stock held by executive officers in the MGE 401(k) defined contribution plan with respect to which those persons have sole voting and investment power: L. Hobbie, 64 shares; J. Newman, 87 shares; G. Wolter, 155 shares and executive officers as a group, 5,947 shares.

(4)

Information contained on Schedule 13G filed with the SEC for the year ended December 31, 2010, by BlackRock, Inc., 40 East 52nd Street, New York, New York 10022.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own more than 10 percent of our common stock to file reports of ownership and changes in ownership with the SEC. Those persons are also required to furnish us with copies of those reports. Based solely on our review of the copies of the reports received by us and written representations from certain reporting persons, we note that all of our directors and executive officers (we do not have any greater than 10 percent shareholders) filed all required reports during or with respect to the year ended December 31, 2010, on a timely basis.

BOARD OF DIRECTORS INFORMATION

Our board provides oversight with respect to the Company's long-term strategic plan, business initiatives, major capital projects and budget matters. Members of the board are kept informed of our business by various reports and documents provided to them on a regular basis including operating and financial reports made at board and committee meetings by the CEO and other officers.

Board Leadership Structure

Our CEO serves as the Chairman of our Board of Directors, and Ms. Millner, who is an independent member of our board as determined under the guidelines adopted by the Nasdaq Stock Market, Inc., serves as our lead director. Ms. Millner has served as a member of our board since 1996 and has extensive experience with the operation of our board and business.

Our board believes its current board leadership structure encourages independent director participation and engagement while deriving the benefit of having our CEO also serve as Chairman of the Board. As the individual with primary responsibility for managing the Company's day-to-day operations, he is best positioned to chair regular board meetings as we discuss key business and strategic issues. Coupled with an independent lead director, this combined structure provides independent oversight while avoiding unnecessary confusion regarding the board's oversight responsibilities and day-to-day management of business operations.

The board has structured the role of our lead independent director to strike an appropriate balance to the combined Chairman and CEO role and fulfill the important requirements of independent leadership on the board. The lead director calls meetings of the board or executive sessions with our independent directors; chairs executive sessions of the independent directors; provides input to the Chairman on the scope, quality, quantity and timeliness of the information provided to the board; serves as a nonexclusive conduit to the Chairman of views and concerns of our independent directors; and chairs our Corporate Governance Committee, which monitors the composition and structure of our board and assists in board recruitment efforts.

Risk Oversight

Our board is involved in the process of overseeing the primary operational, financial and regulatory risks that we face in the conduct of our business. Trends in economic, business and commodity market conditions; legislative and regulatory initiatives and their potential or actual effects upon operations and capital expenditures; and operational issues are recurring matters considered by our board in the course of its regular meetings. Our CEO generally leads in the identification of risk discussion matters; however, all of our directors are encouraged to initiate discussion at any time, either directly or through our lead director, on any areas of concern, including risk identification and assessment, controls, management and oversight. In addition, our board periodically meets with management to receive and discuss reports regarding the risks faced in the various areas of the Company and the policies, processes and controls in place to assess and manage those risks.

Committees

Our board has four standing committees, the principal responsibilities of which are described below. The following table sets forth the current membership of each committee and the number of meetings held during 2010:

Name

Audit

Committee

Compensation
Committee

Executive

Committee

Corporate

Governance
Committee

Mark D. Bugher

X

X

F. Curtis Hastings

X

X

Regina M. Millner (1)

X

X

X

X(2)

John R. Nevin

X

X(2)

X

James L. Possin

X

X

H. Lee Swanson

X(2)

X

X

X

Gary J. Wolter

X

Number of Meetings

5

9(3)

0

1

(1)

Lead Independent Director.

(2)

Committee Chairperson.

(3)

Includes five meetings of the committee with other board members to discuss Company compensation philosophy, structure and related matters.

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Corporate Governance Committee

The Corporate Governance Committee is responsible for taking a leadership role in shaping corporate governance of the Company. The committee reviews and makes recommendations to the board regarding corporate governance principles applicable to the Company and concerning board and committee organization, membership, function and effectiveness. Our board has adopted a Corporate Governance Committee Charter and Corporate Governance Guidelines, which are posted on our Web site at www.mgeenergy.com/corpgov. More information regarding our corporate governance practices can be found at our Web site. Each of the members of the committee is independent as defined in applicable Nasdaq Stock Market, Inc., listing standards.

The Corporate Governance Committee also reviews candidates for our board and makes nominations of appropriate candidates for election to the board. As stated in our Corporate Governance Guidelines, the candidate review criteria includes characteristics such as integrity, business experience, knowledge and independence of judgment, as well as diversity in business backgrounds in order to bring different experiences and perspectives to the board. Diversity in personal background, race, gender, age and nationality, for the board as a whole, may be taken into account in considering candidates. While screening candidates, the committee will examine potential conflicts of interest including interlocking directorships and substantial business, civic and social relationships with other members of the board that could impair a prospective board member's ability to act independently.

The Corporate Governance Committee also considers qualified director candidates suggesr>

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QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES AND THE MEETINGS

The following are some questions that you, as a Magellan stockholder or a Tellurian Investments stockholder, may have regarding the merger and the other matters being considered at the special meetings, as well as the answers to those questions. Magellan and Tellurian Investments urge you to read carefully the remainder of this joint proxy statement/prospectus-including any documents incorporated by reference-and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the special meetings. See "Where You Can Find More Information" beginning on page 105.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Magellan and Tellurian Investments have entered into a merger agreement, pursuant to which each outstanding share of common stock, par value $0.001 per share, of Tellurian Investments will be converted into the right to receive 1.300 shares of common stock of Magellan, and Merger Sub will merge with and into Tellurian Investments (the "merger"), with Tellurian Investments continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan.

In order to complete the merger, among other conditions,

- Magellan stockholders must approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger; and
- Tellurian Investments stockholders must approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Magellan and Tellurian Investments will hold separate special meetings of their stockholders to obtain these approvals. This joint proxy statement/prospectus contains and incorporates by reference important information about Magellan and Tellurian Investments, the merger agreement, the merger, the other transactions contemplated by the merger agreement, and the Magellan and Tellurian Investments special meetings of stockholders. You should read all of the available information carefully and in its entirety.

Q: What effect will the merger have?

A: If the merger is completed, Tellurian Investments will become a wholly owned subsidiary of Magellan and Tellurian Investments stockholders will become stockholders of Magellan.

Following the merger, the stockholders of Magellan and Tellurian Investments will be the stockholders of the combined company.

Q: What will I receive in the merger?

A: Magellan stockholders: Regardless of whether the merger is completed, Magellan stockholders will retain the Magellan common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of Magellan common stock in the merger.

Tellurian Investments stockholders: If the merger is completed, Tellurian Investments stockholders will receive 1.300 shares of Magellan common stock for each share of Tellurian Investments common stock that they hold immediately prior to the effective time of the merger (other than shares of Tellurian Investments common stock held by any holder who has properly exercised appraisal rights of such shares in accordance with Section 262 of the General Corporation Law of the State of Delaware, which we refer to as the DGCL or Delaware law, as described in this joint proxy statement/prospectus). If a holder of Tellurian Investments stock is entitled to receive any fractional shares of Magellan stock, such holder will receive such fractional share.

Q: How will Magellan equity awards be treated?

A: Certain current and former Magellan employees, officers and directors hold equity compensation plan awards under the Magellan Petroleum Corporation 1998 Stock Incentive Plan (the "Magellan 1998 Plan") or the Magellan Petroleum Corporation 2012 Omnibus Incentive Compensation Plan (the "Magellan 2012 Plan"). At the closing of the transactions contemplated by the merger agreement, any outstanding options held by Magellan current and former employees, officers and directors will remain exercisable for such period of time as provided in the applicable award agreement and the Magellan 1998 Plan or the Magellan 2012 Plan. The vesting of awards to current and former Magellan employees, officers and directors will be accelerated as a result of the merger, in accordance with the terms of the applicable award agreement and the merger agreement.

Q: What is the value of the merger consideration?

A: Because Magellan will issue 1.300 shares of Magellan common stock in exchange for each share of Tellurian Investments common stock outstanding immediately prior to the merger, the value of the merger consideration that Tellurian Investments stockholders receive will depend on the price per share of Magellan common stock at the effective time of the merger. That price will not be known at the time of the special meetings and may be greater or less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Magellan common stock. See "Risk Factors" beginning on page 23.

Q: What are the principal conditions of the proposed merger?

A: The merger and the other transactions contemplated by the merger agreement require the approval of Magellan and Tellurian Investments stockholders. Magellan and Tellurian Investments are holding special meetings of stockholders to obtain the requisite approval. The other principal conditions of the merger include the following:

- the accuracy of each party's representations and warranties contained in the merger agreement and each party's compliance with its covenants and agreements contained in the merger agreement in all material respects;
- all directors and officers of Magellan and each Magellan subsidiary shall have resigned, except for any person(s) that might be designated by Tellurian Investments;
- Antoine Lafargue, Magellan's current President and Chief Executive Officer, shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release (i) will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement and (ii) will not affect any right of Mr. Lafargue to indemnification and insurance as provided in the merger agreement; and
- shares of Magellan common stock to be issued in the merger shall have been approved for listing on the NASDAQ Capital Market, subject to official notice issuance.

For a description of the other terms and conditions of the merger, please see "The Merger Agreement" beginning on page 70 of this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

Q: Will the proposed transactions result in a change in control of Magellan?

A: Yes. Assuming the transactions contemplated by the merger agreement are completed, all of Magellan's board of directors positions will be nominees of Tellurian Investments, and Magellan's executive officers will be comprised primarily of the present executive officers of Tellurian Investments. The present holders of Magellan common stock, former Tellurian Investments stockholders and Petrie Partners Securities, LLC (Magellan's financial advisor) will own approximately 4.3%, 95.4% and 0.3%, respectively, of Magellan common stock after the merger.

Q: Who will serve on the Magellan board of directors following the completion of the merger?

A: The merger agreement provides that, upon completion of the merger, all directors of Magellan will have resigned, and Magellan will appoint to its board of directors three members of the Tellurian Investments board of directors and two other persons designed by Tellurian Investments. It is anticipated that, following the completion of the merger, the Magellan board of directors will have seven members, consisting of the Tellurian Investments designees described above plus two additional members designated by Tellurian Investments.

Q: Who will serve as executive management of Magellan following the completion of the merger?

A: The combined company will be led by its Chairman, Charif Souki; Executive Vice Chairman, Martin Houston; President and Chief Executive Officer, Meg A. Gentle; Executive Vice President and Chief Operating Officer, R. Keith Teague; Senior Vice President and Chief Financial Officer, Antoine Lafargue; General Counsel and Corporate Secretary, Christopher Daniels; Senior Vice President - Projects, Howard Candelet; Senior Vice President - Gas Supply, Mark Evans; and Senior Vice President - LNG Trading, Tarek Souki.

Q: What am I voting on?

A: Magellan stockholders: Magellan stockholders are voting on (1) a proposal to approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger; (2) a proposal to approve the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"); (3) a proposal to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan’s named executive officers in connection with the completion of the merger; and (4) a proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Tellurian Investments stockholders: Tellurian Investments stockholders are voting on a proposal to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement.

Q: What vote is required to approve these proposals?

A: Magellan stockholders: In order for the proposals to be voted on at the Magellan special meeting, a “quorum” of the shares must be present. A quorum is 33 % of the issued and outstanding shares of Magellan common stock. All shares of Magellan common stock held by stockholders who are present in person or by proxy will count towards a quorum, including Magellan shares held by stockholders who are present in person at the Magellan special meeting but not voting, and Magellan shares for which Magellan has received proxies indicating that their holders have abstained. Shares of Magellan common stock held by stockholders who are not present in person or by proxy will not be counted towards a quorum.

Each of Magellan Proposal 1 (to approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger), Magellan Proposal 2 (to approve the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code), and Magellan Proposal 3 (to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan’s named executive officers in connection with the completion of the merger) will require the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on each respective proposal, assuming that a quorum is present. Magellan Proposal 2 is referred to as the “plan proposal,” and Magellan Proposal 3 is referred to as the “compensation proposal.” Magellan Proposal 4 (to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies) will require the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on the proposal, regardless of whether there is a quorum. See “The Magellan Meeting-Quorum” for a description of the effect of “broker non-votes” and abstentions on the outcome of each vote.

Tellurian Investments stockholders: In order for the proposal to be voted on at the Tellurian Investments special meeting, a “quorum” of the shares must be present. A quorum is a majority of the issued and outstanding shares of Tellurian Investments common stock. All shares of Tellurian Investments common stock held by stockholders who are present in person or by proxy will count towards a quorum, including Tellurian Investments shares held by stockholders who are present in person at the Tellurian Investments special meeting but not voting, and Tellurian Investments shares for which Tellurian Investments has received proxies indicating that their holders have abstained. Shares of Tellurian Investments common stock held by stockholders who are not present in person or by proxy will not be counted towards a quorum.

Tellurian Investments Proposal 1-to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement-will require the affirmative vote of holders of a majority of the outstanding shares of Tellurian Investments common stock entitled to vote thereon. See “The Tellurian Investments Meeting-Quorum” for a description of the effect of abstentions on the outcome of each vote.

Q: When do you expect the merger to be completed?

A: The parties will complete the transactions contemplated by the merger agreement when all of the conditions to the completion of the transactions, as provided in the merger agreement, are satisfied or waived. The parties anticipate closing the transactions as soon as possible after approval by the Magellan and Tellurian Investments stockholders of the proposal regarding the transactions contemplated by the merger agreement.

Q: What happens if the merger is not completed?

A: If the merger is not completed, the Tellurian Investments common stock will not be converted into the right to receive Magellan common stock, and Tellurian Investments stockholders will continue to hold Tellurian Investments common stock.

If the merger agreement is terminated by Magellan to accept a “superior proposal,” or by Tellurian Investments because Magellan has breached its obligation not to solicit an alternative proposal after the execution of the merger agreement or because the Magellan board of directors has changed its recommendation that stockholders approve the merger, then Magellan will be required to pay a termination fee to Tellurian Investments for any and all third-party transaction fees and expenses incurred by Tellurian Investments with the drafting, negotiation, execution and delivery of the merger agreement and related documents (including fees and expenses for attorneys, accountants and other advisors), subject to a maximum of $1,000,000 in the aggregate. A termination fee may also be payable by Magellan to Tellurian Investments in some circumstances in which an alternative proposal is made, the merger fails to close and Magellan subsequently agrees to an alternative proposal.

If the merger agreement is terminated by Magellan or Tellurian Investments because the Tellurian Investments stockholders do not approve the merger at their special meeting, or by Magellan because Tellurian Investments does not use commercially reasonable efforts to secure the approval for the listing of the Magellan shares on the NASDAQ Capital Market, then Tellurian Investments will be required to pay a reverse termination fee to Magellan of $1,000,000.

In addition, should the merger with Tellurian Investments not close, Magellan will need to pursue other alternatives, including other potential merger candidates, in order to continue as a going concern.

See the sections entitled “The Merger Agreement-Termination of the Merger Agreement,” “The Merger Agreement-Termination Fee” and “The Merger Agreement-Reverse Termination Fee” of this joint proxy statement/prospectus for a discussion of these and other rights of each of Magellan and Tellurian Investments to terminate the merger agreement.

Q: Do I need to do anything with my shares of common stock other than vote for proposals at the special meetings of stockholders?

A: Magellan stockholders: If you are a Magellan stockholder, after the merger is completed, you are not required to take any action with respect to your shares of Magellan common stock.

Tellurian Investments stockholders: If you are a Tellurian Investments stockholder, after the merger is completed, each share of Tellurian Investments common stock that you hold will be converted automatically into the right to receive 1.300 shares of Magellan common stock. You do not need to take any action at this time. After the merger is completed, you will receive instructions on how to exchange your shares.

Q: Are stockholders entitled to appraisal rights?

A: The holders of Magellan common stock are not entitled to appraisal rights in connection with the merger under Delaware law. Tellurian Investments stockholders are entitled to appraisal rights under Section 262 of the DGCL, provided they satisfy the special criteria and conditions set forth in Section 262 of the DGCL. Tellurian Investments common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Magellan stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

For more information regarding appraisal rights, see “The Merger-Appraisal Rights” beginning on page 66 of this joint proxy statement/prospectus. In addition, a copy of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex D.

Q: Why are Magellan stockholders being asked to approve the Magellan 2016 Plan?

A: The Magellan 2016 Plan is being proposed to revise and replace the Magellan 2012 Plan. The primary updates will include increasing the number of shares available for issuance, changing the material terms of the performance goals under the Magellan 2016 Plan, and making additional changes that the Magellan board of directors believes will better align Magellan’s incentive compensation with the proposed direction of Magellan after the merger. As part of the plan proposal and as required under Section 162(m) of the Code and related regulations, Magellan’s stockholders are being asked to approve the material terms of the performance goals (including the business criteria on which any qualified performance goals are based) under the Magellan 2016 Plan so that awards made by the Compensation, Nominating and Governance Committee of the board of directors of the combined company (the "CNG Committee") to employees and officers can qualify as performance-based compensation deductible under Section 162(m) of the Code. For more information regarding the Magellan 2016 Plan, see “Proposals for the Magellan Special Meeting-Magellan Proposal 2: Approval of Magellan 2016 Plan” beginning on page 80 of this joint proxy statement/prospectus.

Q: In making awards intended to meet the standards of Section 162(m) of the Code, what may the CNG Committee base performance goal(s) on?

A: For purposes of Section 162(m) of the Code, the business criteria upon which any qualified performance goals are based are:

Financial Goals:	Earnings Revenues Debt level Cost reduction targets Interest-sensitivity gap levels EBITDAX or adjusted EBITAX	Earnings per share Cash flow from operations Equity ratios Capital expended Weighted average cost of capital Return on assets	Net income Free cash flow Expenses Working capital Operating or profit margin Return on equity or capital employed
Operating Goals:	Engineering milestones Construction milestones Regulatory milestones Execution of engineering, procurement and construction agreements Completion of regulatory filings	Receipt of and compliance with regulatory approvals Receipt of a commitment of financing or refinancing Closing of financing or refinancing Reaching Final Investment Decision Execution of commercial agreements	Completion of construction milestones Achievement of safety standards Operating efficiency Production targets Fuel usage Cost of production Management of risk

Corporate and Other Goals:	Total stockholder return Asset quality levels Investments Satisfactory internal or external audits Achievement of balance sheet or income statement objectives	Market share Assets Asset sale targets Value of assets Employee retention/attrition rates Improvements of financial ratings	Charge-offs Non-performing assets Fair market value of common stock Regulatory compliance Safety targets Economic value added MMBTU growth per net debt adjusted share

Q: Why are Magellan stockholders being asked to cast a non-binding advisory vote on the compensation proposal?

A: In accordance with the rules promulgated by the U.S. Securities and Exchange Commission (the "SEC") under Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Magellan is providing its stockholders with the opportunity to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger, as disclosed in "The Merger-Interests of Magellan Directors and Executive Officers in the Merger" and "Proposals for the Magellan Special Meeting-Magellan Proposal 3: Advisory (Non-Binding) Vote on Golden Parachute Compensation."

Q: What will happen if Magellan stockholders do not approve the compensation proposal?

A: The vote on the compensation proposal is a vote separate and apart from the vote on the merger proposal. Accordingly, Magellan stockholders may vote to approve and adopt the merger proposal and vote not to approve the compensation proposal, and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either Magellan or Tellurian Investments. Accordingly, if the merger agreement is approved and adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the compensation proposal.

Q: When and where will the special meetings of stockholders be held?

A: Magellan stockholders: The special meeting of Magellan stockholders will take place on [•], 2016, at [•] local time in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado 80203.

Tellurian Investments stockholders: The special meeting of Tellurian Investments stockholders will take place on [•], 2016, at [•] local time at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002.

Q: Who can attend and vote at the special meetings of stockholders?

A: Magellan stockholders: Only holders of record of Magellan common stock at the close of business on [•], 2016, the record date for the special meeting of Magellan stockholders, are entitled to vote at the meeting or any adjournment or postponement of the meeting. As of the record date, there were [•] shares of Magellan common stock issued and outstanding and entitled to vote at the special meeting of Magellan stockholders. Each outstanding share of Magellan common stock on the record date is entitled to one vote on each matter properly brought before the Magellan special meeting.

Tellurian Investments stockholders: Only holders of record of Tellurian Investments common stock at the close of business on [•], 2016, the record date for the special meeting of Tellurian Investments stockholders, are entitled to vote at the meeting or any adjournment or postponement of the meeting. As of the record date, there were [•] shares of Tellurian Investments common stock issued and outstanding and entitled to vote at the special meeting of Tellurian Investments stockholders. Each outstanding share of Tellurian Investments common stock on the record date is entitled to one vote on each matter properly brought before the Tellurian Investments special meeting.

Q: How may I vote at the special meetings of stockholders?

A: Magellan stockholders: You may vote using any of the following methods:

1. IN PERSON

- Attend the Magellan special meeting and vote in person.

2. BY MAIL

- Mark, sign and date your proxy card and return it in the postage-paid envelope provided. The named proxies will vote your stock according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your stock in favor of the proposals.

3. BY TELEPHONE: Call toll free 1-800-690-6903

- Vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Standard Time on [•], 2016.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

4. BY INTERNET: http://www.proxyvote.com

- Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Standard Time on [•], 2016.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

If you hold your shares through a broker or other nominee, you must follow the voting instructions provided to you by your broker or nominee. In addition, to attend the Magellan special meeting, you must obtain a proxy, executed in your favor, from the broker or nominee to be able to vote at the meeting.

Tellurian Investments stockholders: You may vote using any of the following methods:

1. IN PERSON

- Attend the Tellurian Investments special meeting and vote in person.

2. BY MAIL

- Mark, sign and date your proxy card and return it in the postage-paid envelope provided. The named proxies will vote your stock according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your stock in favor of the proposals.

Q: Can I revoke or change my proxy?

A: Magellan stockholders: You may revoke your proxy at any time before the vote is taken at the special meeting of Magellan stockholders. If you have not voted through a broker or other nominee, you may revoke your proxy by:

1. giving written notice of revocation no later than the commencement of the Magellan special meeting to Magellan’s Corporate Secretary, Antoine Lafargue:
   - if before commencement of the meeting on the date of the meeting, by personal delivery in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado 80203; and
   - if delivered before the date of the meeting, at Magellan’s offices, 1775 Sherman Street, Suite 1950, Denver, Colorado 80203; or
2. delivering no later than the commencement of the Magellan special meeting a properly executed, later-dated proxy; or
3. voting in person at the Magellan special meeting; however, simply attending the meeting without voting will not revoke an earlier proxy.

Delivering a proxy will in no way limit your right to vote at the Magellan special meeting if you later decide to attend in person. If your stock is held in the name of a broker or other nominee, you must obtain a proxy, executed in your favor, to be able to vote at the Magellan special meeting, and must follow instructions provided to you by your broker or nominee to revoke or change your vote. If no direction is given and the proxy is validly executed, the stock represented by the proxy will be voted in favor of each proposal described herein. The persons authorized under the proxies will vote upon any other business that may properly come before the Magellan special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Other than the matters described herein, Magellan does not anticipate that any matters will be raised at the Magellan special meeting.

Tellurian Investments stockholders: You may revoke your proxy at any time before the vote is taken at the special meeting of Tellurian Investments stockholders. You may revoke your proxy by:

1. giving written notice of revocation no later than the voting of the proxy at the Tellurian Investments special meeting to Tellurian Investments' Corporate Secretary, Christopher Daniels:
   - if before the voting of the proxy on the date of the meeting, by personal delivery at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002; and
   - if delivered before the date of the meeting, at Tellurian Investments' offices, 1201 Louisiana Street, Suite 3100, Houston, Texas 77002; or
2. delivering no later than the commencement of the Tellurian Investments special meeting a properly executed, later-dated proxy.

Delivering a proxy will in no way limit your right to vote at the Tellurian Investments special meeting if you later decide to attend in person and revoke the proxy in writing. The persons authorized under the proxies will vote upon any other business that may properly come before the Tellurian Investments special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Other than the matters described herein, Tellurian Investments does not anticipate that any matters will be raised at the Tellurian Investments special meeting.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Tellurian Investments common stock?

A: The merger is intended to be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code, and/or an exchange under Section 351 of the Code. Assuming the merger qualifies as such a reorganization or exchange, a U.S. holder of Tellurian Investments common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Tellurian Investments common stock for shares of Magellan common stock pursuant to the merger. For further information, see "Material U.S. Federal Income Tax Consequences" beginning on page 92.

The U.S. federal income tax consequences described above may not apply to all holders of Tellurian Investments common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: How does the Magellan board of directors recommend that Magellan stockholders vote?

A: The Magellan board of directors has determined that the merger and the other transactions contemplated by the merger agreement are in the best interest of Magellan and its stockholders. Accordingly, the Magellan board of directors unanimously recommends that Magellan stockholders vote (1) "FOR" the approval of the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger; (2) "FOR" the approval of the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code; (3) "FOR" the approval, on a non-binding advisory basis, of the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger; and (4) "FOR" the proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: How does the Tellurian Investments board of directors recommend that Tellurian Investments stockholders vote?

A: The Tellurian Investments board of directors has determined that the merger and the other transactions contemplated by the merger agreement are in the best interest of Tellurian Investments and its stockholders. Accordingly, the Tellurian Investments board of directors unanimously recommends that Tellurian Investments stockholders vote "FOR" the approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Q: Who can help answer my questions?

A: Magellan stockholders: If you have any questions about how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, or if you have any questions about the proposals, you should contact the following:

Antoine J. Lafargue, Corporate Secretary
Magellan Petroleum Corporation
1775 Sherman Street, Suite 1950
Denver, Colorado 80203
Telephone: (720) 484-2400

Tellurian Investments stockholders: If you have any questions about how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, or if you have any questions about the proposals, you should contact the following:

Christopher Daniels, Corporate Secretary
Tellurian Investments Inc.
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Telephone: (832) 962-4000

SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the Magellan and Tellurian Investments special meetings. Magellan and Tellurian Investments urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled "Where You Can Find More Information" beginning on page 105. We have included page references in this summary to direct you to a more complete description of the topics presented below.

The Parties to the Merger Agreement

Magellan Petroleum Corporation, a Delaware corporation;
Tellurian Investments Inc., a Delaware corporation; and
River Merger Sub, Inc., a Delaware corporation.

See "The Merger Agreement" beginning on page 70.

Background of the Parties

Magellan is a publicly traded, independent oil and gas exploration and production company that owns interests in the Horse Hill-1 well and related licenses in the Weald Basin, onshore United Kingdom, and an exploration block, NT/P82, in the Bonaparte Basin, offshore Northern Territory, Australia. Magellan common stock trades on the NASDAQ Capital Market under the trading symbol "MPET."

Tellurian Investments is a privately held company with plans to own, develop and operate natural gas liquefaction facilities, storage facilities and loading terminals along the United States Gulf Coast and to pursue complementary business lines in the energy industry.

See "The Merger-Background of the Merger" beginning on page 47.

The Merger

If the merger is completed, each outstanding share of common stock, par value $0.001 per share, of Tellurian Investments, other than shares for which appraisal rights held by Tellurian Investments stockholders have been perfected, will be converted into the right to receive 1.300 shares of common stock of Magellan, and Merger Sub will merge with and into Tellurian Investments, with Tellurian Investments continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan.

See "The Merger Agreement" beginning on page 70.

Reasons for the Merger

Magellan: Each of the special committee of the Magellan board of directors (the "Special Committee") and the Magellan board of directors considered the following material factors, among others, that it believes support its determinations:

- the benefit to holders of Magellan common stock resulting from their ability to participate in the growth of the combined company, taking into account (i) the business plan of Tellurian Investments, (ii) the experience and credentials of Tellurian Investments' senior management as recognized global leaders in the liquefied natural gas ("LNG") business and (iii) the track records of the members of Tellurian Investments' management in building value for shareholders of their prior employers;

- the long-term prospects for the LNG industry, which the Special Committee and the Magellan board of directors believe to be favorable (although the Special Committee and the Magellan board of directors recognize that the near- and medium-term prospects for the industry will likely be more challenging);

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- that although Magellan retains assets it believes have certain potential value, none of these assets currently generates revenue and therefore, pursuant to Magellan's announced strategy, it will need to pursue a business combination transaction in the relatively near future;

- the belief of the Magellan board of directors that the combined company will be able to benefit stockholders by executing on Tellurian Investments' business plan and taking advantage of Magellan's remaining assets and its public reporting platform;

- most of the alternative candidates Magellan considered as potential merger partners are in the upstream or midstream sectors of the energy industry and are experiencing varying degrees of financial stress as a result of the current commodity price environment, while Tellurian Investments' business plan contemplates that it will not be directly exposed to commodity price risk for a number of years;

- that Magellan, under the direction of the Special Committee, conducted a publicly disclosed and active strategic alternatives process over a lengthy period of time, in which it solicited interest regarding a variety of potential transactions and structures, and that since the formation of the Special Committee in June 2015, Magellan had contacted several dozen potentially interested parties regarding a transaction involving a merger or sale of Magellan or its assets;

- the financial presentation and opinion, dated August 2, 2016, of Petrie Partners Securities, LLC ("Petrie") to the Magellan board of directors as to the fairness, from a financial point of view and as of the date of such opinion, of the exchange ratio to Magellan, which opinion was based upon and subject to the factors, assumptions, limitations and qualifications set forth in its opinion;

- the terms of the merger agreement that permit Magellan to discuss and negotiate an unsolicited acquisition proposal should one be made, and permit Magellan to terminate the merger agreement in order to accept a "superior proposal," in each case in certain circumstances;

- the fact that the merger agreement allows the Magellan board of directors, under specified circumstances, to change or withdraw its recommendation to the Magellan stockholders with respect to the approval of the merger; and

- the fact that if Tellurian Investments' controlling stockholders cause the merger agreement to be terminated by voting against the approval of the merger at the Tellurian Investments meeting, Magellan will receive a termination fee of $1 million.

Tellurian Investments: The board of directors of Tellurian Investments believes the merger is fair to and in the best interest of its stockholders. In the course of reaching this decision, the Tellurian Investments board considered a number of factors, including:

- access to public securities markets; and

- the ability of the combined company to more easily attract and retain skilled personnel.

	See "The Merger-Background of the Merger" beginning on page 47, "The Merger-Magellan's Reasons for the Merger; Recommendation of the Magellan Board of Directors and Special Committee" beginning on page 51, and "The Merger-Tellurian Investments' Reasons for the Merger; Recommendation of the Tellurian Investments Board of Directors" beginning on page 60.
Post-Merger Structure	See the chart below. Following the merger, Tellurian Investments will be a direct wholly owned subsidiary of Magellan. Despite Magellan being the parent entity following the merger, Tellurian Investments is the accounting acquirer for financial accounting purposes.
Date, Time and Place of the Meetings	The Magellan meeting: [•], 2016, at [•] local time in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado

	80203. See “The Magellan Meeting-Date, Time and Place” on page 39. The Tellurian Investments meeting: [•], 2016, at [•] local time at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002. See “The Tellurian Investments Meeting-Date, Time and Place” on page 44.
Record Date	Magellan stockholders: Holders of record of Magellan common stock as of [•], 2016, are entitled to one vote per share on each matter brought before the Magellan special meeting. Tellurian Investments stockholders: Holders of record of Tellurian Investments common stock as of [•], 2016, are entitled to one vote per share on each matter brought before the Tellurian Investments special meeting.
Proposals to be Considered at the Meetings	Magellan stockholders: (1) A

proposal to approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger; (2) a proposal to approve the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code; (3) a proposal to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger; and (4) a proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies.

See "The Magellan Meeting-Purpose of the Magellan Meeting" beginning on page 39.

Tellurian Investments stockholders: A proposal to approve the merger and the transactions contemplated by the merger agreement, including the merger.

	See "The Tellurian Investments Meeting-Purpose of the Tellurian Investments Meeting" beginning on page 44.
Reconstituted Board of Directors of Magellan	Concurrently with the closing of the merger, the number of members of the Magellan board of directors will consist of seven persons, all of whom being nominees of Tellurian Investments. The directors of Magellan are expected to be: Charif Souki Martin Houston Meg Gentle Michael Bock Brooke Peterson Two additional independent directors to be nominated in the near future See "The Merger Agreement-Proposed Directors of the Combined Company" beginning on page 78.
Reconstituted Executive Officers of Magellan	Concurrently with the closing of the merger, the executive officers of Magellan are expected to be: Charif Souki, Chairman Martin Houston, Executive Chairman Meg A. Gentle, President and Chief Executive Officer R. Keith Teague, Executive Vice President and Chief Operating Officer Antoine J. Lafargue, Senior Vice President and Chief Financial Officer Christopher Daniels, General Counsel and Corporate Secretary Howard Candelet, Senior Vice President-Projects Mark Evans, Senior Vice President-Gas Supply Tarek Souki, Senior Vice President-LNG Trading See "The Merger Agreement-Officers of the Combined Company" beginning on page 77.
Recommendation of the Magellan Board of Directors and Special Committee	"FOR" the proposals to be considered at the special meeting of Magellan stockholders, as described herein. See "The Merger-Magellan's Reasons for the Merger; Recommendation of the Magellan Board of Directors and Special Committee" beginning on page 51.
Recommendation of the Tellurian Investments Board of Directors	"FOR" the proposals to be considered at the special meeting of Tellurian Investments stockholders, as described herein. See "The Merger-Tellurian Investments' Reasons for the Merger; Recommendation of the Tellurian Investments Board of Directors" beginning on page 60.

Regulatory Approvals	None.
Appraisal Rights	The holders of Magellan common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

The holders of Tellurian Investments common stock are entitled to appraisal rights in connection with the merger under Delaware law. Tellurian Investments common stock held by stockholders that do not vote for approval of the merger but make a demand for appraisal in accordance with Delaware law, will not be converted into Magellan stock, but will be converted into the right to receive from the combined company cash equal to the fair value of such dissenting stockholder's shares, determined in accordance with Delaware law.

See "The Merger-Appraisal Rights" beginning on page 66. In addition, a copy of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex D.

Conditions to the Completion of the Merger

The completion of the merger is conditioned upon, among other things:

- Magellan and Tellurian Investments stockholder approval of the merger and the other transactions contemplated by the merger agreement;
- The accuracy of each party's representations and warranties contained in the merger agreement and each party's compliance with its covenants and agreements contained in the merger agreement in all material respect;
- The resignation of all directors and officers of Magellan and each Magellan subsidiary, except for any person(s) that might be designated by Tellurian Investments; and
- Antoine Lafargue shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release (i) will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement and (ii) will not affect any right of Mr. Lafargue to indemnification and insurance as provided in the merger agreement.
- Shares of Magellan common stock to be issued in the merger shall have been approved for listing on the NASDAQ Capital Market, subject to official notice issuance.

See "The Merger Agreement-Conditions to the Completion of the Merger" beginning on page 74.

Opinion of Magellan's Financial Advisor

Formed to conduct a strategic alternatives process for Magellan, the Special Committee of the Magellan board of directors retained Petrie to serve as Magellan's financial advisor in connection with the merger and to provide the Magellan board of directors with an opinion with respect to the fairness, from a financial point of view, to Magellan of the exchange ratio. The full text of Petrie's written opinion, dated August 2, 2016, is attached hereto as Annex B and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Petrie in preparing its opinion. This summary and the description of Petrie's opinion are qualified in their entirety by reference to the full text of the opinion.

See "The Merger-Opinion of Magellan's Financial Advisor" beginning on page 53.

Termination of the Merger

The merger agreement may be terminated:

Agreement

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By mutual written consent of the board of directors of each of Magellan and Tellurian Investments;

By Magellan or Tellurian Investments if (i) the merger has not been completed by December 31, 2016, subject to certain conditions; (ii) if a governmental injunction, judgment or ruling preventing consummation of the transactions contemplated by the merger agreement is in effect and becomes final and nonappealable, subject to certain exceptions; (iii) the Magellan meeting has concluded and the Magellan stockholders have not approved the transactions contemplated by the merger agreement; or (iv) the Tellurian Investments meeting has concluded and the Tellurian Investments stockholders have not approved the transactions contemplated by the merger agreement;

By Magellan if (i) the Magellan board of directors receives a "superior proposal" and determines to accept the offer; however, Tellurian Investments will have the right to negotiate with the Magellan board of directors for a five business day period following notice from Magellan to Tellurian Investments of such superior proposal prior to Magellan's acceptance of such superior proposal; or (ii) Tellurian Investments has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (A) would cause the failure by Tellurian Investments to satisfy its closing conditions, and (B) is not cured or is not curable within 30 days; and

By Tellurian Investments if (i) the Magellan board of directors withdraws, modifies or qualifies, or proposes publicly to withdraw, modify or qualify, in a manner adverse to Tellurian Investments, its recommendation that stockholders approve the merger agreement, or publicly recommends the approval or adoption of, or publicly approves or adopts, or proposes to publicly recommend, approve or adopt, any alternative proposal; or (ii) Magellan or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement , which breach or failure (A) would cause the failure by Magellan to satisfy its closing conditions, and (B) is not cured or is not curable within 30 days.

See "The Merger Agreement-Termination of the Merger Agreement" beginning on page 75.

Termination Fee

A termination fee will be payable by Magellan to Tellurian Investments for any and all third-party transaction fees and expenses incurred by Tellurian Investments with the drafting, negotiation, execution and delivery of the merger agreement and related documents (including fees and expenses for attorneys, accountants and other advisors), subject to a maximum of $1,000,000 in the aggregate, in the following circumstances:

(i) an alternative proposal has been publicly proposed and not withdrawn at the date of the Magellan special meeting, (ii) either party terminates the merger agreement because (A) the merger has not occurred by December 31, 2016, or (B) Magellan stockholders do not approve the merger, and (iii) Magellan enters into a definitive agreement with respect to, or consummates a transaction that constitutes, an alternative proposal within 12 months of the termination of the merger agreement;

the merger agreement is terminated by Tellurian Investments if the Magellan board of directors changes its recommendation that the Magellan stockholders vote in favor of the merger;

	the merger agreement is terminated by Tellurian Investments if Magellan or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (i) would cause the failure by Magellan or Merger Sub to satisfy its closing conditions, and (ii) is not cured or is not curable within 30 days; or
	the merger agreement is terminated by Magellan in order to accept a "superior proposal."
	See "The Merger Agreement-Termination Fee" beginning on page 76.
Reverse Termination Fee	A termination fee of $1,000,000 will be payable by Tellurian Investments to Magellan in the following circumstances:
	the merger agreement is terminated by Magellan or Tellurian Investments because Tellurian Investments stockholders do not approve the merger at their special meeting; or
	Tellurian Investments has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (i) would cause the failure by Tellurian Investments to satisfy its closing conditions, and (ii) is not cured or is not curable within 30 days.
	See "The Merger Agreement-Reverse Termination Fee" beginning on page 76.
U.S. Federal Income Tax Consequences	The merger is intended to be non-taxable to Magellan, Tellurian Investments and their stockholders, provided it qualifies as a "reorganization" within the meaning of Section 368(a) of the Code and/or an exchange under Section 351 of the Code. The holders of Tellurian Investments common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Tellurian Investments common stock for shares of Magellan common stock in the merger.
	See "Material U.S. Federal Income Tax Consequences" beginning on page 92.
Risk Factors	In evaluating the proposals to be considered at the special meetings of stockholders, holders of Magellan common stock and Tellurian Investments common stock should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 23 of this joint proxy statement/prospectus.
Share Ownership of Magellan Directors and Executive Officers	890,539 shares (including options to acquire 293,748 shares), or 14.4% of the outstanding Magellan common stock.
Share Ownership of Tellurian Investments Directors and Executive Officers	58,615,000 shares or 55.4% of the outstanding Tellurian Investments common stock.
Interests of Executive Officers and Directors of Magellan in the Merger	Certain of Magellan's current and former directors and executive officers have interests that differ from, and may be in conflict with, those of the stockholders of Magellan with respect to the merger agreement. These interests include the following:

as a condition to the completion of the merger, Antoine Lafargue, Magellan's current President and Chief Executive Officer, shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release, among other things, will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement;

J. Thomas Wilson, former President and Chief Executive Officer of Magellan, for his termination for "Good Reason" (as defined in his employment agreement) in connection with the merger will receive (i) monthly severance payments amounting to $300,000 in the aggregate, for a period of 12 months, (ii) payment of his accrued vacation amounting to approximately $106,000, (iii) reimbursement of medical benefits for a period of up to 18 months, estimated to amount to approximately $35,000 in the aggregate, and (iv) reimbursement of outstanding expenses;

pursuant to the merger agreement, any and all contractual or similar obligations payable to Magellan directors from Magellan or its affiliates, or otherwise owed to the Magellan directors as a result of their services as Magellan directors, shall have been released, except for (A) 100,000 shares of Magellan common stock, which will be issued to and divided among the Magellan directors as of the closing of the merger and (B) the total sum of $150,000, to be divided among the Magellan directors and payable in cash at the closing of the merger, provided that such release shall not affect any right of the Magellan directors to indemnification and insurance as provided in the merger agreement;

Magellan's directors and executive officers hold equity compensation plan awards under the Magellan 1998 Plan or the Magellan 2012 Plan, the vesting of which awards will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement; and

Magellan's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement, as more fully described in "The Merger Agreement-Indemnification and Insurance" beginning on page 74.

Each member of the board of directors of Magellan was aware of these interests and considered them in making its recommendations in this joint proxy statement/prospectus.

See "The Merger-Interests of Magellan's Directors and Executive Officers in the Merger" beginning on page 58.

Interests of Executive Officers and Directors of Tellurian Investments in the Merger

Certain executive officers and directors of Tellurian Investments possess unrestricted shares of Tellurian Investments common stock and/or restricted shares of Tellurian Investments common stock issued pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. At the effective time of the merger, each outstanding share of Tellurian Investments common stock, including unrestricted shares outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan, will be converted into the right to receive 1.300 shares of Magellan common stock. Effective immediately prior to the effective time of the merger, each restricted share of Tellurian Investments common stock granted and then outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan and any associated restricted stock agreements and notices of grant will be converted into 1.300 shares of comparable restricted stock of Magellan.

See “The Merger-Interests of Tellurian Investments’ Directors and Executive Officers in the Merger” beginning on page 60.

Changes to Exchange Ratio	The exchange ratio will be adjusted prior to the effective time of the merger to provide Tellurian Investments common stockholders the same economic effect as contemplated by the merger agreement to account for any stock split, reverse stock split, stock dividend, subdivision, reclassification, recapitalization, combination, exchange of shares or the like that occurs with respect to the shares of either Magellan common stock or Tellurian Investments common stock outstanding after the date of the merger agreement and prior to the effective time of the merger.

POST-MERGER BUSINESS STRATEGY

The combined company plans to own, develop and operate, through Tellurian LNG LLC, a Delaware limited liability company and wholly owned subsidiary of Tellurian Investments (“Tellurian LNG”), natural gas liquefaction facilities, storage facilities and loading terminals (collectively, the “LNG Facilities”) at one or more sites along the United States Gulf Coast and plans to sell LNG produced at its LNG Facilities to creditworthy customers, and to pursue complementary business lines in the energy industry.

The combined company plans to be a low-cost provider of LNG Facilities and plans to minimize construction costs through utilization of proven technology and a modular design process that reduces installation and interconnection costs throughout the facility. Tellurian LNG, through its wholly owned subsidiaries, Driftwood LNG LLC and Driftwood LNG Pipeline LLC, is developing a 26 million tonnes per annum (“mtpa”) LNG Facility and related pipeline in Calcasieu Parish, Louisiana, with estimated construction costs of $450 to $550 per tonne, before owners’ cost, pipeline cost, financing cost, and contingencies, and expects to begin producing LNG in 2022 (the “Driftwood LNG Project”). The combined company also plans to pursue business that is complementary to its LNG business.

The combined company plans to purchase gas supply for its LNG Facilities from the North American natural gas market and contract for pipeline and storage services upstream of the LNG Facilities in order to maximize its access to low-cost gas supply.

For certain risks associated with the combined company’s post-merger business strategy, see “Risk Factors” beginning on page 23.

MARKET PRICE INFORMATION

Magellan common stock is currently traded on the NASDAQ Capital Market under the symbol “MPET.” The following table provides the lowest and highest sales prices for Magellan common stock as reported by the NASDAQ Capital Market as of August 2, 2016, the last full trading day preceding public announcement that Magellan and Tellurian Investments had entered into the merger agreement, and on September 29, 2016, the last full trading day for which such prices were available at the time of this joint proxy statement/prospectus.

Date	Highest Sales Price Per Share	Lowest Sales Price Per Share
August 2, 2016	$1.22	$1.14
September 29, 2016	$5.50	$5.06

Because Tellurian Investments common stock is not traded on any established market, no equivalent market price data is available for Tellurian Investments.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this joint proxy statement/prospectus that address activities, events, or developments with respect to Magellan's and Tellurian Investments' financial condition, results of operations, or economic performance that Magellan and/or Tellurian Investments expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "could," "estimate," "expect," "forecast," "initial," "intend," "may," "plan," "potential," "project," "shoul similar expressions are intended to identify forward-looking statements. These forward-looking statements about Magellan and Tellurian Investments, and their subsidiaries, appear in a number of places in this joint proxy statement/prospectus and may relate to statements about the following, among other things:

- completion of the merger and the other transactions contemplated by the merger agreement;
- strategies for the combined company after the merger, including potential future transactions;
- forward-looking elements of the reasons of each of the Magellan and Tellurian Investments board of directors for recommending that Magellan and Tellurian Investments stockholders approve the merger and the other transactions contemplated by the merger agreement;
- Magellan's and Tellurian Investments' businesses and prospects;
- availability of liquidity and capital resources;
- the disposition of oil and gas properties and related assets;
- progress in developing Magellan's and Tellurian Investments' projects;
- future values of those projects or other interests or rights that Magellan and/or Tellurian Investments hold; and
- other matters that involve a number of risks and uncertainties that may cause actual results to differ materially from results expressed or implied in the forward-looking statements.

These statements, wherever they occur in this joint proxy statement/prospectus, are necessarily estimates reflecting the best judgment of Magellan's and Tellurian Investments' management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Many of the important factors that will determine these results are beyond Magellan's and Tellurian Investments' ability to control or predict. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this joint proxy statement/prospectus. In addition to the risk factors identified elsewhere, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- factors that affect the timing or ability to complete the merger and the other transactions contemplated herein;
- disruption from these transactions, making it more difficult to maintain relationships with vendors, other counterparties, or employees;
- potential inability to complete other transactions in a timely manner and on acceptable terms;
- the uncertain nature of oil and gas prices in the United States, the United Kingdom, and Australia, including uncertainties about the duration of the currently depressed oil commodity price environment and the related impact on Magellan's project developments and ability to obtain financing;
- uncertainties regarding the combined company's ability to maintain sufficient liquidity and capital resources to implement its projects or otherwise continue as a going concern;
- the combined company's ability to attract and retain key personnel;
- Magellan's limited amount of control over activities on Magellan's non-operated properties;
- the combined company's reliance on the skill and expertise of third-party service providers;

- the ability of the combined company's vendors to meet their contractual obligations;
- the uncertain nature of the anticipated value and underlying prospects of Magellan's U.K. acreage position;
- government regulation and oversight of drilling and completion activity in the United Kingdom;
- the uncertainty of drilling and completion conditions and results;
- the availability of drilling, completion, and operating equipment and services;
- the results and interpretation of 2-D and 3-D seismic data related to Magellan's NT/P82 interest in offshore Australia and Magellan's ability to obtain an attractive farmout arrangement for NT/P82;
- uncertainties regarding Magellan's ability to maintain the NASDAQ Capital Market listing of Magellan common stock;
- risks and uncertainties inherent in management estimates of future operating results, liquidity, and cash flows;
- risks and uncertainties associated with litigation matters;
- risk factors consistent with comparable companies within the oil and gas or LNG industry, especially companies with similar market capitalization and/or employee base; and
- other matters discussed in the "Risk Factors" section of this joint proxy statement/prospectus.

Furthermore, forward-looking statements are made based on Magellan and Tellurian Investments management's current assessment available at the time. Subsequently obtained information may result in revisions to Magellan and Tellurian Investments management's expectations and intentions and, thus, Magellan and Tellurian Investments may alter their plans. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus. Magellan and Tellurian Investments do not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risks before deciding whether to vote for any of the proposals described in this joint proxy statement/prospectus. In addition, you should read and consider the risks associated with each of the businesses of Magellan and Tellurian Investments because these risks will also affect the combined company following the merger. In the case of Magellan, these risks can be found in the Annual Report on Form 10-K for the fiscal year ended June 30, 2016, as those risks may be updated or supplemented in Magellan's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 105.

Risks Relating to the Merger

Except for customary adjustments to reflect stock splits and similar share issuances, the exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger.

At the effective time, each share of Tellurian Investments common stock outstanding immediately prior to the effective time, other than the shares for which appraisal rights held by Tellurian Investments stockholders have been perfected, will be converted into the right to receive 1.300 shares of Magellan common stock. This exchange ratio will not be adjusted for changes in the market price of Magellan common stock between the date of signing the merger agreement and completion of the merger, but will be adjusted to reflect stock splits and similar share issuances. Changes in the price of Magellan common stock prior to the merger will affect the value of Magellan common stock that Tellurian Investments common stockholders will receive on the date of the merger. The exchange ratio will be adjusted proportionally to reflect the effect of any stock split, reverse stock split, stock dividend, subdivision, reclassification, recapitalization, combination, exchange of shares, or the like with respect to Magellan common stock between the date of signing the merger agreement and completion of the merger.

The price of Magellan common stock at the closing of the merger may vary from its price on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus, and on the date of the special meeting of stockholders of each of Magellan and Tellurian Investments. As a result, the value represented by the exchange ratio will also vary, and you will not know or be able to calculate the market value of the merger consideration you will receive upon completion of the merger.

In addition, the merger might not be completed until a significant period of time has passed after the Magellan or Tellurian Investments special meeting of stockholders. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Magellan common stock or Tellurian Investments common stock, the market value of the Magellan common stock issued in connection with the merger and the Tellurian Investments common stock surrendered in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of Tellurian Investments or Magellan prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of Magellan and Tellurian Investments. Neither Magellan nor Tellurian Investments is permitted to terminate the merger agreement solely because of changes in the market price of either company's common stock.

Current Magellan stockholders will have a reduced ownership and voting interest in the combined company after the merger.

Based on the estimated number of shares of Tellurian Investments common stock that will be outstanding immediately prior to the closing of the merger, we estimate that Magellan will issue approximately 132,770,300 shares of Magellan common stock to Tellurian Investments stockholders in the merger. As a result of these issuances, current Magellan and Tellurian Investments stockholders and Petrie are expected to hold approximately 4.3%, 95.4% and 0.3%, respectively, of the combined company's outstanding common stock immediately following completion of the merger. However, under the terms of the merger agreement, Tellurian Investments may issue up to approximately 21,500,000 additional shares of its common stock prior to the closing of the merger (representing approximately 27,950,000 additional shares of the combined company's common stock immediately following the merger), which would reduce the percentage ownership of the combined company held by Magellan's current stockholders. Magellan stockholders currently have the right to vote for their respective directors and on other matters affecting Magellan. Each Magellan stockholder will remain a stockholder of Magellan with a percentage ownership of the combined company that will be substantially smaller than the stockholder's percentage of Magellan prior to the merger. As a result of these reduced ownership percentages, Magellan stockholders will have materially less voting power in the combined company than they now have with respect to Magellan.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees, which could adversely affect the future business and operations of the combined company.

Magellan and Tellurian Investments are dependent on the experience and industry knowledge of their directors, officers and other key employees to execute their business plans. Each company's success until the merger and the combined company's success after the merger will depend in part upon the ability of Magellan and Tellurian Investments to retain key management personnel and other key employees. Current and prospective employees of Magellan and Tellurian Investments may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the ability of each of Magellan and Tellurian Investments to attract or retain key management and other key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key management personnel and other key employees of Magellan and Tellurian Investments to the same extent that Magellan and Tellurian Investments have previously been able to attract or retain their own employees.

The merger is subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all.

The merger is subject to a number of conditions beyond Magellan's and Tellurian Investments' control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these conditions will be satisfied. Any delay in completing the merger could cause the combined company not to realize some or all of the benefits that we expect to achieve if the merger is successfully completed within its expected time frame. See "The Merger Agreement-Conditions to the Completion of the Merger" beginning on page 74.

Failure to complete the merger could negatively impact the future business and financial results of Magellan and Tellurian Investments.

Neither Magellan nor Tellurian Investments can make any assurances that it will be able to satisfy all of the conditions to the merger or succeed in any litigation if brought in connection with the merger. If the merger is not completed, the financial results of Magellan and/or Tellurian Investments may be adversely affected and Magellan and/or Tellurian Investments will be subject to several risks, including but not limited to the following:

- being required to pay a termination fee of up to $1,000,000 under certain circumstances provided in the merger agreement;
- payment of costs relating to the merger, such as legal, accounting, financial advisor and printing fees, regardless of whether the merger is completed;
- having had the focus of each company's management on the merger instead of on pursuing other opportunities that could have been beneficial to each company;
- being subject to litigation related to any failure to complete the merger; and
- in the case of Magellan, (i) the current market price of Magellan common stock may reflect a market assumption that the merger will occur, and a failure to complete the merger could result in negative market perception and a decline in the market price of Magellan common stock; and (ii) continuing to face the

risks that it currently faces as an independent company, including limited capital and limited human resources.
In addition, Magellan and Tellurian Investments would not realize any of the expected benefits of having completed the merger. If the merger is not completed, Magellan and Tellurian Investments cannot assure their stockholders that these risks will not materialize and will not materially and adversely affect the business, financial results and market value of Magellan or Tellurian Investments.

The merger agreement limits Magellan's ability to pursue alternatives to the merger.

The merger agreement contains provisions that restrict Magellan's ability to solicit, initiate or knowingly facilitate or encourage competing third-party proposals to acquire all or a significant part of Magellan. These provisions generally prohibit Magellan from soliciting any acquisition proposal or offer for a competing transaction and would require Magellan to pay a termination fee of up to $1,000,000 in cash if the merger agreement is terminated in specified circumstances in connection with an alternative transaction. In addition, even if the Magellan board of directors determines that a competing proposal is superior, Magellan may not exercise its right to terminate the merger agreement unless it notifies Tellurian Investments of its intention to do so and gives Tellurian Investments at least five business days to propose revisions to the terms of the merger agreement or to make another proposal in response to the competing proposal. See "The Merger Agreement-Conduct of Business by Magellan and Tellurian Investments Pending Closing" beginning on page 73.

Magellan agreed to these provisions as a condition to Tellurian Investments' willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring Magellan from considering or proposing such an acquisition, even if that party were prepared to pay consideration with a higher value than the proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquirer proposing to pay a lower price to acquire Magellan than it might otherwise have proposed to pay.

Certain of Magellan's current and former directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Magellan stockholders generally.

Certain of Magellan's current and former directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of the Magellan stockholders generally. The members of the Magellan board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to Magellan stockholders that the merger agreement be approved. These interests include the following:

- as a condition to the completion of the merger, Antoine Lafargue, Magellan's current President and Chief Executive Officer, shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release, among other things, will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement;
- J. Thomas Wilson, former President and Chief Executive Officer of Magellan, for his termination for "Good Reason" (as defined his employment agreement) in connection with the merger will receive (i) monthly severance payments amounting to $300,000 in the aggregate, for a period of 12 months, (ii) payment of his accrued vacation amounting to approximately $106,000, (iii) reimbursement of medical benefits for a period of up to 18 months, estimated to amount to approximately $35,000 in the aggregate, and (iv) reimbursement of outstanding expenses;
- pursuant to the merger agreement, any and all contractual or similar obligations payable to Magellan directors from Magellan or its affiliates, or otherwise owed to the Magellan directors as a result of their services as Magellan directors, shall have been released, except for (A) 100,000 shares of Magellan common stock, which will be issued to and divided among the Magellan directors as of the closing of the merger and (B) the total sum of $150,000, to be divided among the Magellan directors and payable in cash

at the closing of the merger, provided that such release shall not affect any right of the Magellan directors to indemnification and insurance as provided in the merger agreement;

- Magellan's directors and executive officers hold equity compensation plan awards under the Magellan 1998 Plan or the Magellan 2012 Plan, the vesting of which awards will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement; and
- Magellan's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement, as more fully described in "The Merger Agreement-Indemnification and Insurance" beginning on page 74.

If you are a Magellan stockholder, these interests may cause certain of Magellan's current or former directors and executive officers to view the merger proposal differently and more favorably than you may view it. See "The Merger-Interests of Magellan Directors and Executive Officers in the Merger" beginning on page 58 for more information.

If the merger does not qualify as a reorganization under Section 368(a) of the Code or an exchange under Section 351 of the Code, the stockholders of Tellurian Investments may be required to pay substantial U.S. federal income taxes.

Although Magellan and Tellurian Investments intend that the merger will be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code and/or an exchange under Section 351 of the Code, it is possible that the Internal Revenue Service (the "IRS") may assert that the merger fails to qualify as such. If the IRS were to be successful in such assertion, or if for any other reason the merger were to fail to qualify as a "reorganization," or an exchange under Section 351 of the Code, each U.S. holder of shares of Tellurian Investments common stock would recognize gain or loss with respect to its shares of Tellurian Investments common stock based on the difference between (i) that U.S. holder's tax basis in such shares and (ii) the fair market value of the shares of Magellan common stock received. See "Material U.S. Federal Income Tax Consequences" beginning on page 92.

Magellan's ability to utilize its net operating loss and foreign tax credit carryforwards likely will be limited.

As of June 30, 2016, Magellan had U.S. net operating loss carryforwards of approximately $22.0 million and approximately $9.1 million of U.S. foreign tax credit carryforwards. Under Sections 382 and 383 of the Code, Magellan's net operating loss and foreign tax credit carryforwards would become subject to the "section 382 limitation" if Magellan were to experience an "ownership change." For this purpose, the term "ownership change" refers to an increase in ownership of at least 50% of Magellan's shares by certain groups of stockholders during any three-year period, as determined under certain conventions. Magellan believes that the merger with Tellurian Investments will result in an ownership change for purposes of Sections 382 and 383 of the Code. As a result, upon the closing of the merger with Tellurian Investments, (i) Magellan's net operating loss carryforwards may only be used to offset an amount of income equal to the "section 382 limitation" in each taxable year, and (ii) Magellan's foreign tax credit carryforwards may only be used to offset tax liability attributable to an amount of income equal to the unused portions of Magellan's "section 382 limitation" in each taxable year. Any net operating loss or general business tax credits that could not be used as a result of the section 382 limitation would carry forward to future years, still subject to the same "section 382 limitation," unless and until they expire unused. Magellan's "section 382 limitation" would generally equal the fair market value of Magellan's outstanding equity (as of the date of the ownership change) multiplied by a certain interest rate (as of the date of the ownership change) published monthly by the U.S. Treasury Department and known as the "long-term tax exempt rate." In addition, to the extent that Magellan does not continue its business enterprise following the merger with Tellurian Investments, Magellan's "section 382 limitation" could be zero.

Magellan or Tellurian Investments may waive one or more of the conditions to the merger without re-soliciting stockholders.

Each of the conditions in the merger agreement to Magellan's or Tellurian Investments' obligations to complete the merger may be waived, in whole or in part, by Magellan or Tellurian Investments. The Magellan or Tellurian Investments board of directors may evaluate the materiality of any such waiver to determine whether amendment of this joint proxy statement/prospectus and re-solicitation of proxies is necessary. If the Magellan or

Tellurian Investments board of directors were to determine that a waiver would materially alter the relative values of the consideration to be given or received in the merger, Magellan or Tellurian Investments would likely re-solicit proxies. In the event that any such waiver is not determined to be significant enough to require re-solicitation of stockholders, Magellan or Tellurian Investments will have the discretion, subject to limitations under Delaware law, to complete the merger without seeking further stockholder approval.

Risks Relating to Magellan's Business

Magellan's business is and will be subject to the risks described in Magellan's Annual Report on Form 10-K for the fiscal year ended June 30, 2016, as such risks may be updated or supplemented in Magellan's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 105.

Risks Relating to Tellurian Investments' Business

As discussed below, Tellurian Investments' business is subject to numerous risks and uncertainties. If the merger is completed, Tellurian Investments' business will comprise a substantial majority of the business of the combined company. Therefore, all of the risks described in this section will apply to the combined company if the merger is completed.

Tellurian Investments is the sole interest holder of Tellurian LNG, which together with Tellurian LNG's subsidiaries, will develop the Driftwood LNG Project. Tellurian Investments does not expect to generate sufficient cash to pay dividends until the completion of construction of the Driftwood LNG Project by Tellurian LNG and its wholly owned subsidiaries, and any dividends will be attributable to distributions made by Tellurian LNG to Tellurian Investments.

Tellurian Investments' only assets include its 100% membership or ownership interests in each of Tellurian LNG, Tellurian Services LLC and Tellurian LNG UK Ltd ("Tellurian UK"), and cash held for certain start-up and operating expenses. Tellurian Investments' cash flow and consequently its ability to distribute earnings is solely dependent upon the cash flow Tellurian LNG receives from the Driftwood LNG Project and the transfer of funds by Tellurian LNG to Tellurian Investments in the form of distributions or otherwise. Tellurian LNG's ability to complete the Driftwood LNG Project, as discussed further below, is dependent upon its, its subsidiaries and Tellurian Investments' ability to obtain necessary regulatory approvals and raise the capital necessary to fund the development of the project.

Although Tellurian Investments anticipates that cash distributions from Tellurian LNG will be made to Tellurian Investments when profits are available, the Tellurian LNG limited liability company agreement provides that Tellurian Investments, as the sole member of Tellurian LNG, and therefore Tellurian Investments' board of directors, will determine when distributions can be made. There is no assurance that such a determination will be made or can be obtained.

Although Tellurian Investments anticipates that cash distributions from Tellurian UK will be made to Tellurian Investments when profits are available, the Tellurian UK limited liability company agreement provides that Tellurian Investments, as the sole member of Tellurian UK, and therefore Tellurian Investments' board of directors, will determine when distributions can be made. There is no assurance that such a determination will be made or can be obtained.

In addition, because Tellurian Investments' business will have limited asset and geographic diversification, adverse developments in the natural gas and LNG industry, or to the Driftwood LNG Project, will have a greater impact on Tellurian Investments' financial condition than if it maintained a more diverse asset and geographic profile.

Tellurian Investments will be required to seek additional debt and equity financing in the future to complete the Driftwood LNG Project, and may not be able to secure such financing on acceptable terms, or at all.

Because Tellurian Investments will be unable to generate any revenue from its operations and expects to be in the development stage for multiple years, Tellurian Investments will need additional financing to provide the capital required to execute its business plan. Tellurian Investments will need significant funding to develop the Driftwood LNG Project as well as for working capital requirements and other operating and general corporate purposes.

There can be no assurance that Tellurian Investments will be able to raise sufficient capital on acceptable terms, or at all. If such financing is not available on satisfactory terms, or is not available at all, Tellurian Investments may be required to delay, scale back or eliminate the development of business opportunities, and its operations and financial condition may be adversely affected to a significant extent.

Debt financing, if obtained, may involve agreements that include liens on its assets and covenants limiting or restricting the ability to take specific actions, such as paying dividends or making distributions, incurring additional debt, acquiring or disposing of assets and increasing expenses. Debt financing would also be required to be repaid regardless of Tellurian Investments' operating results.

Funding from any source may be unavailable to Tellurian Investments on acceptable terms, or at all. If Tellurian Investments does not have sufficient capital to fund operations and expenses, it may not be able to continue as a going concern and its business could fail.

In addition, the ability to obtain financing for the proposed Driftwood LNG Project is expected to be contingent upon, among other things, Tellurian Investments' ability to enter into sufficient long-term commercial agreements prior to the commencement of construction. To date, Tellurian Investments has not entered into any definitive third-party agreements for the proposed Driftwood LNG Project, and it may not be successful in negotiating and entering into such agreements.

Tellurian Investments and Tellurian LNG have only a limited operating history.

Both Tellurian Investments and Tellurian LNG were formed in 2016, and only recently commenced development. Although Tellurian Investments' current and anticipated directors, managers and officers have prior professional and industry experience, Tellurian Investments and Tellurian LNG have a limited prior operating history, track record and historical financial information upon which you may evaluate prospects.

Tellurian LNG has not yet commenced the construction of the Driftwood LNG Project. Accordingly, Tellurian Investments expects to incur significant additional costs and expenses through completion of development and construction of the Driftwood LNG Project. As a result, Tellurian Investments expects operating losses will increase substantially in the remainder of 2016 and thereafter, and expects to continue to incur operating losses and experience negative operating cash flow through at least 2022.

Failure to retain and attract key executive officers and other skilled professional and technical employees could have an adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

The success of Tellurian Investments' business relies heavily on its executive officers. Should Tellurian Investments' executive officers be unable to perform their duties on behalf of Tellurian Investments, or should Tellurian Investments be unable to retain or attract other members of management, Tellurian Investments' business, results of operations, financial condition, liquidity and prospects could be materially impacted.

Tellurian Investments will be subject to risks related to doing business in, and having counterparties based in, foreign countries.

Tellurian Investments may engage in operations or make substantial commitments and investments, or enter into agreements with counterparties, located outside the United States, which would expose Tellurian Investments to political, governmental, and economic instability and foreign currency exchange rate fluctuations.

Any disruption caused by these factors could harm Tellurian Investments' business, results of operations, financial condition, liquidity and prospects. Risks associated with operations, commitments and investments outside of the United States include but are not limited to risks of:

- currency fluctuations;

- war or terrorist attack;
- expropriation or nationalization of assets;
- renegotiation or nullification of existing contracts;
- changing political conditions;
- changing laws and policies affecting trade, taxation, and investment;
- multiple taxation due to different tax structures;
- general hazards associated with the assertion of sovereignty over areas in which operations are conducted; and
- the unexpected credit rating downgrade of countries in which Tellurian Investments' LNG customers are based.

Because Tellurian Investments' reporting currency is the United States dollar, any of the operations conducted outside the United States or denominated in foreign currencies would face additional risks of fluctuating currency values and exchange rates, hard currency shortages and controls on currency exchange. In addition, Tellurian Investments would be subject to the impact of foreign currency fluctuations and exchange rate changes on its financial reports when translating its assets, liabilities, revenues and expenses from operations outside of the United States into U.S. dollars at then-applicable exchange rates. These translations could result in changes to the results of operations from period to period.

Tellurian Investments is currently classified as a United States real property holding company ("USRPHC") under applicable tax laws, and non-U.S. investors may be subject to tax withholding and other tax consequences upon a disposition of their shares, as set forth further below under "Material U.S. Federal Income Tax Consequences."

Tellurian Investments is a USRPHC under applicable tax laws, which subjects non-U.S. investors to tax withholding and other tax consequences upon a disposition of their shares. If the merger closes, Magellan will likely be classified in the same manner, which subjects non-U.S. investors to tax withholding and other tax consequences upon a disposition of their Magellan shares. Non-U.S. investors should consult their tax advisors with respect to the application of this to their investment and other U.S. tax rules, as set forth further below under "Material U.S. Federal Income Tax Consequences."

Tellurian Investments is a defendant in a lawsuit that could result in equitable relief and/or monetary damages that could have a material adverse effect on Tellurian Investments' operating results and financial condition.

Tellurian Investments and Tellurian Services LLC, along with each of Messrs. Houston and Daniels and certain entities in which each of them owned membership interests, as applicable, have been named as defendants in two recently initiated lawsuits. Although Tellurian Investments believes the plaintiffs' claims are without merit, Tellurian Investments may not ultimately be successful and any potential liability Tellurian Investments may incur is not reasonably estimable. However, even if Tellurian Investments is successful in the defense of this litigation, Tellurian Investments could incur costs and suffer both an economical loss and an adverse impact on its reputation, which could have a material adverse effect on its business. In addition, any adverse judgment or settlement of the litigation could have an adverse effect on its operating results and financial condition. See "The Companies-Tellurian Investments Inc.-Legal Proceedings" beginning on page 36.

Tellurian Investments' estimated costs for the Driftwood LNG Project may not be accurate and are subject to change due to various factors.

Tellurian Investments currently estimates that the construction costs for the Driftwood LNG Project will be between approximately \$11.7 and \$14.3 billion. However, cost estimates are only an approximation of the actual costs of construction and are before owners' costs, financing costs, pipeline construction costs and contingencies. Moreover, cost estimates may change due to various factors, such as the final terms of any definitive request for services with its engineering, procurement and construction ("EPC") service provider, as well as change orders, delays in construction, legal and regulatory requirements, site issues, increased component and material costs, escalation of labor costs, labor disputes, increased spending to maintain Tellurian Investments' construction schedule and other factors.

The construction and operation of the Driftwood LNG Project remains subject to further approvals, and some approvals may be subject to further conditions, review and/or revocation.

The design, construction and operation of LNG export terminals is a highly regulated activity. The approval of the U.S. Federal Energy Regulatory Commission ("FERC") under Section 3 of the Natural Gas Act, as well as several other material governmental and regulatory approvals and permits, is required in order to construct and operate an LNG terminal. Although the necessary authorizations to operate the proposed LNG Facilities may be obtained, such authorizations are subject to ongoing conditions imposed by regulatory agencies, and additional approval and permit requirements may be imposed.

Tellurian Investments will be required to obtain governmental approvals and authorizations to implement its proposed business strategy, which includes the construction and operation of the Driftwood LNG Project. In particular, authorization from FERC and the U.S. Department of Energy is required to construct and operate the proposed LNG Facilities. In addition to seeking approval for export to countries with which the United States has a Free Trade Agreement ("FTA"), Tellurian Investments will seek to obtain approval for export to non-FTA countries. There is no assurance that Tellurian Investments will obtain and maintain these governmental permits, approvals and authorizations, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on its business, results of operations, financial condition and prospects.

Tellurian Investments will be dependent on third-party contractors for the successful completion of the Driftwood LNG Project, and these contractors may be unable to complete the Driftwood LNG Project.

There is limited recent industry experience in the United States regarding the construction or operation of large-scale liquefaction facilities. The construction of the Driftwood LNG Project is expected to take several years, will be confined to a limited geographic area and could be subject to delays, cost overruns, labor disputes and other factors that could adversely affect financial performance or impair Tellurian Investments' ability to execute its scheduled business plan.

Timely and cost-effective completion of the Driftwood LNG Project in compliance with agreed-upon specifications will be highly dependent upon the performance of third-party contractors pursuant to their agreements. However, Tellurian Investments has not yet entered into definitive agreements with certain of the contractors, advisors and consultants necessary for the development and construction of the Driftwood LNG Project. Tellurian Investments may not be able to successfully enter into such construction contracts on terms or at prices that are acceptable to it. Further, faulty construction that does not conform to Tellurian Investments' design and quality standards may have an adverse effect on Tellurian Investments' business, results of operations, financial condition and prospects. For example, improper equipment installation may lead to a shortened life of Tellurian Investments' equipment, increased operations and maintenance costs or a reduced availability or production capacity of the affected facility. The ability of Tellurian Investments' third-party contractors to perform successfully under any agreements to be entered into is dependent on a number of factors, including force majeure events and such contractors' ability to:

- design, engineer and receive critical components and equipment necessary for the Driftwood LNG Project to operate in accordance with specifications and address any start-up and operational issues that may arise in connection with the commencement of commercial operations;
- attract, develop and retain skilled personnel and engage and retain third-party subcontractors, and address any labor issues that may arise;
- post required construction bonds and comply with the terms thereof, and maintain their own financial condition, including adequate working capital;
- adhere to any warranties the contractors provide in their EPC contracts; and

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- respond to difficulties such as equipment failure, delivery delays, schedule changes and failure to perform by subcontractors, some of which are beyond their control, and manage the construction process generally, including engaging and retaining third-party contractors, coordinating with other contractors and regulatory agencies and dealing with inclement weather conditions.

Furthermore, Tellurian Investments may have disagreements with its third-party contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under the related contracts, resulting in a contractor's unwillingness to perform further work on the relevant project. Tellurian Investments may also face difficulties in commissioning a newly constructed facility. Any significant project delays in the development of the Driftwood LNG Project could materially and adversely affect Tellurian Investments' business, results of operations, financial condition and prospects.

Tellurian Investments' ability to generate cash is substantially dependent upon it entering into contracts with third parties and the performance of those customers under those contracts.

Tellurian Investments has not yet entered into, and may never be able to enter into, satisfactory commercial arrangements with third-party customers for products and services at the Driftwood LNG Project.

Tellurian Investments' business strategy may change regarding how and when the proposed Driftwood LNG Project's export capacity is marketed. Also, Tellurian Investments' business strategy may change due to the inability to enter into agreements with customers or based on views regarding future prices, supply and demand of LNG, natural gas liquefaction capacity, and worldwide regasification capacity. If the efforts to market the proposed Driftwood LNG Project are not successful, Tellurian Investments' business, results of operations, financial condition and prospects may be materially and adversely affected.

Tellurian LNG's construction and operations activities are subject to a number of development risks, operational hazards, regulatory approvals and other risks, which could cause cost overruns and delays and could have a material adverse effect on its business, results of operations, financial condition, liquidity and prospects.

Siting, development and construction of the Driftwood LNG Project will be subject to the risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including, but not limited to, the following:

- Difficulties or delays in obtaining, or failure to obtain, sufficient debt or equity financing on reasonable terms;
- Failure to obtain all necessary government and third-party permits, approvals and licenses for the construction and operation of any of the contemplated LNG Facilities;
- Failure to obtain sale and purchase agreements that generate sufficient revenue to support the financing and construction of the Driftwood LNG Project;
- Difficulties in engaging qualified contractors necessary to the construction of the contemplated Driftwood LNG Project or other LNG Facilities;
- Shortages of equipment, material or skilled labor;
- Natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents and terrorism;
- Unscheduled delays in the delivery of ordered materials;
- Work stoppages and labor disputes;
- Competition with other domestic and international LNG export terminals;
- Unanticipated changes in domestic and international market demand for and supply of natural gas and LNG, which will depend in part on supplies of and prices for alternative energy sources and the discovery of new sources of natural resources;

- Unexpected or unanticipated additional improvements; and
- Adverse general economic conditions.

Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require Tellurian Investments to obtain additional sources of financing to fund the activities until the proposed Driftwood LNG Project is constructed and operational (which could cause further delays). Any delay in completion of the Driftwood LNG Project may also cause a delay in the receipt of revenues projected from the Driftwood LNG Project or cause a loss of one or more customers. As a result, any significant construction delay, whatever the cause, could have a material adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

Technological innovation may render Tellurian Investments' anticipated competitive advantage or its processes obsolete.

Tellurian Investments' success will depend on its ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although Tellurian Investments plans to construct the Driftwood LNG Project using proven technologies that it believes provides it with certain advantages, Tellurian Investments does not have any exclusive rights to any of the technologies that it will be utilizing. In addition, the technology Tellurian Investments anticipates using in the Driftwood LNG Project may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of its competitors or others, which could materially and adversely affect Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

Decreases in the demand for and price of natural gas could lead to reduced development of LNG projects worldwide.

Tellurian Investments is subject to risks associated with the development, operation and financing of domestic LNG facilities. The development of domestic LNG facilities and projects are generally based on assumptions about the future price of natural gas and LNG and the conditions of the global natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to remain in the future, volatile and subject to wide fluctuations that are difficult to predict. Such fluctuations may be caused by factors such as the competitive liquefaction capacity in North America; the international supply and receiving capacity of LNG; LNG tanker capacity; weather conditions; domestic and global demand for natural gas; the effect of government regulation on the production, transportation and sale of natural gas; oil and natural gas exploration and production activities; the development of and changes in the cost of alternative energy sources for natural gas and political and economic conditions worldwide.

Further, the development of liquefaction facilities takes a substantial amount of time, requires significant capital investment, may be delayed by unforeseen and uncontrollable factors and is dependent on the financial viability and ability of Tellurian Investments to market LNG internationally.

Competition in the liquefied natural gas industry is intense, and some of Tellurian Investments' competitors have greater financial, technological and other resources.

Tellurian Investments plans to operate in the highly competitive area of liquefied natural gas production and faces intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies and utilities.

Many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities to serve the North American natural gas market, including other proposed liquefaction facilities in North America. Tellurian Investments may face competition from major energy companies and others in pursuing its proposed business strategy to provide liquefaction and export products and services at its proposed Driftwood LNG Project. In addition, competitors have and are developing additional LNG terminals in other markets, which also compete with the proposed LNG Facilities. Almost all of these competitors have longer operating histories, more development experiences, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than Tellurian Investments currently possesses. The superior resources that these competitors have available for deployment could allow them to compete successfully against Tellurian Investments, which could have a material adverse effect on Tellurian Investments' business, results of operations, financial conditions, liquidity and prospects.

There may be shortages of LNG vessels worldwide, which could have a material adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

The construction and delivery of LNG vessels requires significant capital and long construction lead times, and the availability of the vessels could be delayed to the detriment of Tellurian Investments' business and customers due to the following:

- an inadequate number of shipyards constructing LNG vessels and a backlog of orders at these shipyards;
- political or economic disturbances in the countries where the vessels are being constructed;
- changes in governmental regulations or maritime self-regulatory organizations;
- work stoppages or other labor disturbances at the shipyards;
- bankruptcies or other financial crises of shipbuilders;
- quality or engineering problems;
- weather interference or catastrophic events, such as a major earthquake, tsunami, or fire; or
- shortages of or delays in the receipt of necessary construction materials.

A terrorist or military incident involving an LNG carrier could result in delays in, or cancellation of, construction or closure of the proposed LNG Facilities.

A terrorist or military incident involving an LNG carrier may result in delays in, or cancellation of, construction of new LNG facilities, including the proposed LNG Facilities, which would increase Tellurian Investments' costs and decrease cash flows. A terrorist incident may also result in temporary or permanent closure of Tellurian Investments' proposed LNG Facilities, including the Driftwood LNG Project, which could increase costs and decrease cash flows, depending on the duration of the closure. Operations at the proposed LNG Facilities, including the Driftwood LNG Project, could also become subject to increased governmental scrutiny that may result in additional security measures at a significant incremental cost. In addition, the threat of terrorism and the impact of military campaigns may lead to continued volatility in prices for natural gas that could adversely affect Tellurian Investments' business and customers, including the ability of Tellurian Investments' suppliers or customers to satisfy their respective obligations under Tellurian Investments' commercial agreements.

Changes in legislation and regulations relating to the LNG industry could have a material adverse impact on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

Future legislation and regulations, such as those relating to the transportation and security of LNG exported from the proposed LNG Facilities through the Calcasieu Ship Channel, could cause additional expenditures, restrictions and delays in connection with the proposed LNG Facilities and their construction, the extent of which cannot be predicted and which may require Tellurian Investments to limit substantially, delay or cease operations in some circumstances. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating costs and restrictions could have a material adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

Tellurian Investments' operations will be subject to a number of environmental laws and regulations that impose significant compliance costs, and existing and future environmental and similar laws and regulations could result in increased compliance costs or additional operating restrictions.

Tellurian Investments' business will be subject to extensive federal, state and local regulations and laws, including regulations and restrictions on discharges and releases to the air, land and water and the handling, storage and disposal of hazardous materials and wastes in connection with the development, construction and operation of its liquefaction facilities. These regulations and laws will require Tellurian Investments to maintain permits, provide governmental authorities with access to its facilities for inspection and provide reports related to its compliance. Violation of these laws and regulations could lead to substantial fines and penalties or to capital expenditures related to pollution control equipment that could have a material adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of the Driftwood LNG Project, Tellurian Investments could be liable for the costs of cleaning up hazardous substances released into the environment and for damage to natural resources.

In addition, future federal, state and local legislation and regulations may impose unforeseen burdens and increased costs on Tellurian Investments' business that could have a material adverse effect on Tellurian Investments' financial results, such as regulations regarding greenhouse gas emissions and the transportation of LNG.

The operation of the proposed Driftwood LNG Project may be subject to significant operating hazards and uninsured risks, one or more of which may create significant liabilities and losses that could have a material adverse effect on Tellurian Investments' business, results of operations, financial condition, liquidity and prospects.

The plan of operations for the proposed Driftwood LNG Project is subject to the inherent risks associated with LNG operations, including explosions, pollution, release of toxic substances, fires, hurricanes and other adverse weather conditions, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the proposed Driftwood LNG Project and assets or damage to persons and property. In addition, operations at the proposed Driftwood LNG Project and vessels of third parties on which Tellurian Investments' operations are dependent face possible risks associated with acts of aggression or terrorism.

Tellurian Investments does not, nor does it intend to, maintain insurance against all of these risks and losses. Tellurian Investments may not be able to maintain desired or required insurance in the future at rates that it considers reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on Tellurian Investments' business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Risks Relating to the Combined Company Relating to the Merger

Magellan's stock price is volatile and the value of the Magellan common stock to be issued in the merger will depend on its market price at the time of the merger; no adjustment in the number of shares of Magellan common stock to be issued in the merger will be made as a result of changes in the market price of Magellan common stock prior to the merger.

At the closing of the merger, each share of Tellurian Investments common stock, other than shares for which appraisal rights held by Tellurian Investments stockholders are perfected, will be converted into the right to receive shares of Magellan common stock, as more particularly described herein. The number of shares to be issued will not be adjusted for changes in the market price of Magellan common stock. Consequently, the specific dollar value of Magellan common stock that Tellurian Investments stockholders will receive upon the completion of the merger will depend on the market value of Magellan common stock at that time and may vary from the date that any stockholder executes a proxy with respect to approval of the merger, or the date of the respective meetings of the stockholders. You are urged to obtain recent market quotations for Magellan common stock. Neither Magellan nor Tellurian Investments can predict or give any assurances as to the market price of Magellan common stock at any time before or after the merger.

There can be no assurance that the business operations and personnel of Magellan and Tellurian Investments can be successfully integrated on a timely basis, if at all. As a result, the business and results of operations of the combined company could be materially and adversely affected.

There can be no assurance that the integration will be completed on a timely basis, or that the anticipated benefits of the merger can be achieved. The respective boards of directors of Magellan and Tellurian Investments approved the merger based, in part, upon the expectation that the merger would produce a more valuable combined business. The integration process will divert the attention of senior management. Any unexpected difficulties in implementing the integration could cause a disruption in the ongoing business affairs of the combined company. Further, the process of combining Magellan and Tellurian Investments could negatively affect employee morale and the ability of the combined company to retain key employees after the merger.

In connection with the merger, the combined company will incur certain transaction costs, as well as consolidation and integration expenses that cannot be accurately estimated at this time, either of which may negatively affect the combined company's financial condition and operating results.

The combined company will incur certain transaction costs as a result of the merger, including legal and accounting fees. In addition, the combined company will incur consolidation and integration expenses and expenses relating to the continued operations of Magellan, which cannot be accurately estimated at this time. These costs could include the possible relocation of certain operations and employees from Colorado to other offices of the combined company as well as costs associated with terminating existing office leases and the loss of benefits of certain favorable office leases. It is expected that the combined company will charge consolidation and integration expenses to operations in Magellan's fiscal years 2016 and 2017. Magellan and Tellurian Investments have estimated an aggregate of approximately $2,000,000 of transaction costs and less than $1,000,000 of consolidation and integration costs. Actual transaction costs may substantially exceed the combined company's estimates and may have an adverse effect on the combined company's financial condition and operating results.

In the event that the merger is not completed on a timely basis, it could have a material adverse effect on both companies, including the loss of key employees and business opportunities.

The completion of the merger is subject to a number of important conditions, including the conditions precedent to the merger described under "The Merger Agreement-Conditions to the Completion of the Merger." If these conditions precedent to the merger are not satisfied on a timely basis and the merger is significantly delayed, then such delays could have a material adverse effect on both companies, including the loss of key employees and business opportunities.

THE COMPANIES

Magellan Petroleum Corporation

Magellan is a publicly traded, independent oil and gas exploration and production company that owns exploration acreage in the Weald Basin, onshore United Kingdom, and an exploration block, NT/P82, in the Bonaparte Basin, offshore Northern Territory, Australia. Magellan was founded in 1957 and incorporated in Delaware in 1967. Its common stock has traded on the NASDAQ Stock Market since 1972 under the ticker symbol “MPET.” Magellan’s principal offices are located at 1775 Sherman Street, Suite 1950, Denver, Colorado, 80203, and its telephone number is (720) 484-2400.

Additional information about Magellan and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information” on page 105.

River Merger Sub, Inc.

River Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Magellan, was formed on August 2, 2016 for the sole purpose of effecting the merger. If the merger is completed, River Merger Sub, Inc. will merge with and into Tellurian Investments, with Tellurian Investments surviving as a wholly owned subsidiary of Magellan.

Tellurian Investments Inc.

General Overview of the Business

Tellurian Investments plans to own, develop and operate natural gas liquefaction facilities, storage facilities and loading terminals and to pursue complementary business lines in the energy industry. Tellurian Investments owns a 100% membership interest in Tellurian LNG LLC, a Delaware limited liability company (“Tellurian LNG”), a 100% membership interest in Tellurian Services LLC (f/k/a Parallax Services LLC), a Delaware limited liability company (“Tellurian Services”), and a 100% ownership interest in Tellurian UK. Tellurian Investments’ only assets are its 100% membership or ownership interests in each of Tellurian LNG, Tellurian Services and Tellurian UK, and cash held for certain start-up and operating expenses. Tellurian Investments was incorporated in Delaware in 2016. Tellurian Investments’ principal offices are located at 1201 Louisiana Street, Suite 3100, Houston, Texas 77002, and its telephone number is (832) 962-4000.

Description of the Business

Tellurian Investments is planning on developing, through Tellurian LNG and Tellurian LNG’s wholly owned subsidiaries, an LNG facility with liquefaction capacity of 26 million tonnes per annum on a single site in Calcasieu Parish, Louisiana. Assuming approximately two years of permitting work and receipt of the appropriate regulatory approvals and financing commitments necessary to commence construction, followed by a four-year construction schedule, the Driftwood LNG Project could deliver its first LNG as soon as 2022. Tellurian Investments also plans to pursue business that is complementary to its LNG business.

Competition

The combined company plans to operate in the highly competitive area of liquefied natural gas production and faces intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies and utilities.

Many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities, including other proposed liquefaction facilities in North America. The combined company may face competition from major energy companies and others in pursuing its proposed business strategy to provide liquefaction and export products and services at the proposed Driftwood LNG Project. In addition, competitors have and are developing additional LNG terminals in other markets, which also compete with the proposed LNG Facilities. Almost all of these competitors have longer operating histories, more development experiences, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than the combined company would possess upon completion of the merger. The superior resources that these competitors have available for deployment could allow them to compete successfully against the combined company, which could have a material adverse effect on the combined company’s business, results of operations, financial conditions, liquidity and prospects.

Environmental Regulations

The combined company's business will be subject to extensive federal, state and local regulations and laws, including regulations and restrictions on discharges and releases to the air, land and water and the handling, storage and disposal of hazardous materials and wastes in connection with the development, construction and operation of its liquefaction facilities. These regulations and laws will require the combined company to maintain permits, provide governmental authorities with access to facilities for inspection and provide reports related to its compliance. Violation of these laws and regulations could lead to substantial fines and penalties or to capital expenditures related to pollution control equipment that could have a material adverse effect on the combined company's business, results of operations, financial condition, liquidity and prospects. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of the Driftwood LNG Project, the combined company or one or more of its subsidiaries could be liable for the costs of cleaning up hazardous substances released into the environment and for damage to natural resources.

In addition, future federal, state and local legislation and regulations may impose unforeseen burdens and increased costs on the combined company's business that could have a material adverse effect on the combined company's financial results, such as regulations regarding greenhouse gas emissions and the transportation of LNG.

Employees

The employees working on behalf of Tellurian Investments are employed by Tellurian Services and have been working on behalf of Tellurian Investments since its inception pursuant to a services agreement. As of September 29, 2016, Tellurian Services had 30 employees.

Properties

Tellurian LNG, through its wholly owned subsidiary Driftwood LNG LLC, purchased and entered into leases for certain tracts of land and buildings in Calcasieu Parish, Louisiana such that Tellurian LNG controls approximately 790 acres of land which is capable of accommodating an LNG facility with at least 26 mtpa of liquefaction capacity.

Legal Proceedings

On May 23, 2016, Simon Bonini and Paul Kettlety ("Bonini and Kettlety") filed a lawsuit in the 129th Judicial District Court of Harris County, Texas (Cause No. 2016-33947) against Tellurian Investments and Tellurian Services, along with each of Messrs. Martin Houston and Christopher Daniels and certain entities in which each of Messrs. Houston and Daniels own membership interests, as applicable, alleging among other things, breach of contract, promissory estoppel, quantum meruit, fraud/fraudulent concealment, negligent misrepresentation, breach of fiduciary duty, usurpation/diversion of corporate opportunity, conversion, civil conspiracy and implied partnership.

Bonini and Kettlety allege that there was a binding agreement between each of Bonini and Kettlety and Messrs. Houston and Daniels to sell an interest in Parallax Enterprises, LLC ("Parallax Enterprises") to Bonini and Kettlety and that the ultimate proposed ownership of Parallax Enterprises which was agreed to by Messrs. Houston, Daniels and two other members of Parallax Enterprises did not reflect the parties' agreement. Bonini and Kettlety allege that their agreed upon ownership in Parallax Enterprises (14.3% each) exceeded what was ultimately offered to them (9.9% each) and that the ultimate proposal subjected them to certain management, ownership and redemption terms to which they had not agreed. Bonini and Kettlety are seeking damages in excess of $168 million.

Although Tellurian Investments believes the claims of Bonini and Kettlety are without merit, and Tellurian Investments intends to engage in a vigorous defense of this litigation, Tellurian Investments may not ultimately be successful and any potential liability Tellurian Investments may incur is not reasonably estimable. Even if Tellurian Investments is successful, however, in the defense of this litigation, Tellurian Investments could incur costs, and suffer both an economical loss and an adverse impact on reputation, which could have a material adverse effect on the combined company's business.

On June 7, 2016, Akkida Group, L.P. ("Akkida") filed a lawsuit against Tellurian Services, Parallax Energy LLC and Mr. Houston in the 333rd District Court of Harris County, Texas (Cause No. 2016-38686), alleging among other things, breach of contract, quantum meruit, unjust enrichment, negligent misrepresentation, fraud, fraudulent inducement, piercing the corporate veil/alter ego and conspiracy.

Akkida alleges that there was a binding agreement between Akkida and Tellurian Services for Tellurian Services to use Akkida's consulting services for the duration of two LNG projects of Parallax Energy. Akkida also alleges that its consulting services were terminated prematurely, and the compensation received for the consulting services it provided did not reflect the parties' agreement and was less than the value to which the parties had agreed to for such services.

Tellurian Investments believes Akkida's claims are without merit and Tellurian Services and Mr. Houston intend to engage in a vigorous defense of this litigation. However, Tellurian Services may not ultimately be successful and any potential liability Tellurian Services may incur is not reasonably estimable.

THE MAGELLAN MEETING

Date, Time and Place

The Magellan meeting will take place at [•] local time, on [•], in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado 80203.

Purpose of the Magellan Meeting

At the Magellan special meeting, holders of Magellan shares will be asked to consider and vote upon four proposals. The first proposal will be to approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger. The second proposal will be to approve the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code. The third proposal will be to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger. The fourth proposal will be to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies

Holders of Magellan shares may also be asked to consider and vote upon an adjournment or postponement of the meeting. As of the mailing date of this joint proxy statement/prospectus, the Magellan board of directors knows of no other matter to be presented at the Magellan special meeting. If, however, other matters incident to the conduct of the meeting are properly brought before the meeting, or any adjournment or postponement of the meeting, the persons named in the proxy will vote the proxies in accordance with their best judgment with respect to those matters.

Recommendation of the Magellan Board of Directors

The Magellan board of directors has carefully reviewed and considered the terms and conditions of each of the matters to be considered at the Magellan special meeting. Based on its review, Magellan's board of directors has approved (1) the merger agreement, the merger and the other transactions contemplated by the merger agreement; (2) the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code; and (3) the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger. In addition, the Magellan board of directors has declared that the merger agreement and the merger are fair, advisable, expedient and in the best interests of Magellan and its stockholders. Accordingly, Magellan's board of directors recommends that you vote (1) "FOR" the approval of the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger; (2) "FOR" the approval of the Magellan 2016 Plan, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code; (3) "FOR" the approval, on a non-binding advisory basis, of the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger; and (4) "FOR" the proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Record Date and Voting

Each holder of record of Magellan common stock at the close of business on [•], the record date, is entitled to notice of and to vote at the Magellan special meeting. Each such stockholder is entitled to cast one vote for each share of Magellan common stock on each matter properly submitted for the vote of stockholders at the Magellan special meeting. As of the record date, there were [•] shares of Magellan common stock issued and outstanding and entitled to vote at the Magellan special meeting.

Quorum; Voting

Quorum Required

A quorum of Magellan stockholders is necessary to hold the Magellan special meeting. In accordance with Magellan's bylaws, the holders of 33 % of the total number of shares issued and outstanding and entitled to be voted at the Magellan special meeting, present in person or by proxy, will constitute a quorum for the transaction of business. Stockholders are counted as present at the Magellan special meeting if they are present in person or have authorized a proxy. The presence of holders of at least [•] shares of Magellan common stock will constitute a quorum. Under

Delaware law, abstentions and "broker non-votes" are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Magellan special meeting. Shares of Magellan common stock held by stockholders who are not present in person or by proxy will not be counted towards a quorum.

If a quorum is not present at the Magellan special meeting, or if a quorum is present at the Magellan special meeting but there are not sufficient votes at the time of the Magellan special meeting to approve Magellan Proposals 1, 2 and 3, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, Magellan stockholders may be asked to vote on a proposal to adjourn the Magellan special meeting in order to permit the further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days, or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which cases a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the Magellan special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

Broker Non-Votes and Abstentions

Broker non-votes occur when a nominee holding Magellan shares for a beneficial owner returns a properly executed proxy but has not received voting instructions from the beneficial owner, and such nominee does not possess or does not choose to exercise discretionary authority with respect to such shares. Brokers are not allowed to exercise their voting discretion with respect to the approval of matters which are considered "non-routine" under applicable rules without specific instructions from the beneficial owner. Except for Magellan Proposal 4 (the proposal to approve the adjournment of the Magellan special meeting), all of the matters to be voted on at the Magellan special meeting are considered non-routine. Accordingly, your broker will not be entitled to vote your shares on Magellan Proposal 1, 2 or 3 unless you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

Under Delaware law, an "abstention" represents a stockholder's affirmative choice to decline to vote on a proposal.

Effects of Broker Non-Votes and Abstentions

An abstention will have the same effect as a vote "AGAINST" Magellan Proposals 1, 2, 3 and 4. Broker non-votes and shares of Magellan common stock held by stockholders who are not present in person or by proxy will have no effect on the outcome of voting on Magellan Proposals 1, 2, 3 and 4.

Voting by Magellan Directors and Executive Officers

As of the record date, the directors and executive officers of Magellan beneficially owned and were entitled to vote 890,539 shares of Magellan common stock (including options to acquire 293,748 shares), which represent approximately 14.4% of the voting power of the Magellan capital stock. The directors and executive officers of Magellan are expected to vote "FOR" all of the proposals being considered at the Magellan special meeting.

Required Vote

Approval of each of Magellan Proposal 1, 2 and 3 requires the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on each respective proposal, assuming that a quorum is present. Approval of Magellan Proposal 4 requires the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on the proposal, regardless of whether there is a quorum.

Adjournment and Postponement

Adjournments and postponements of the Magellan special meeting may be made for the purpose of, among other things, soliciting additional proxies. The Magellan special meeting may be adjourned by the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the meeting and entitled to vote on the proposal, regardless of whether there is a quorum.

Voting Methods

Voting by Proxy Card

All Magellan shares entitled to vote and represented by properly executed proxies received prior to the Magellan special meeting, and not revoked, will be voted at the meeting in accordance with the instructions indicated on the proxy card accompanying this joint proxy statement/prospectus. If no direction is given and the proxy is validly executed, the stock represented by the proxy will be voted in favor of each proposal described herein. The persons authorized under the proxies will vote upon any other business that may properly come before the Magellan special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Magellan does not anticipate that any other matters will be raised at the Magellan special meeting.

If you are a holder of record, there are two additional ways to vote your proxy:

Vote by telephone-call toll free 1-800-690-6903.

- Vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Standard Time on [•], 2016.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

Vote by the Internet-http://www.proxyvote.com.

- Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Standard Time on [•], 2016.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned your proxy card. The law of Delaware, where Magellan is incorporated, allows a proxy to be sent electronically, so long as it includes or is accompanied by information that lets the inspector of elections know that it has been authorized by the stockholder.

If your shares are held in “street name,” your broker or nominee may provide the option of voting through the Internet or by telephone instead of by mail. Please check the voting instruction card provided by your broker or nominee to see which options are available and the procedures to be followed.

Voting by Attending the Meeting

Holders of record of Magellan shares and their authorized proxies may also vote their shares in person at the Magellan special meeting. If a stockholder attends the Magellan special meeting, he or she may submit his or her vote in person, and any previous votes or proxies authorized by the stockholder by mail will be superseded by the vote that such stockholder casts at the meeting.

Revocability of Proxies

You may revoke your proxy at any time before the vote is taken at the Magellan special meeting. If you have not voted through your broker, you may revoke your proxy by:

1. giving written notice of revocation no later than the commencement of the Magellan special meeting to Magellan's Corporate Secretary, Antoine Lafargue:

- if before commencement of the meeting on the date of the meeting, by personal delivery in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado 80203; and
- if delivered before the date of the meeting, at Magellan's offices, 1775 Sherman Street, Suite 1950, Denver, Colorado 80203;

2. delivering no later than the commencement of the Magellan special meeting a properly executed, later-dated proxy; or
3. voting in person at the Magellan special meeting; however, simply attending the meeting without voting will not revoke an earlier proxy.

Delivering a proxy will in no way limit your right to vote at the Magellan special meeting if you later decide to attend in person. If your stock is held in the name of a broker or other nominee, you must obtain a proxy, executed in your favor, to be able to vote at the Magellan special meeting, and must follow instructions provided to you by your broker or nominee to revoke or change your vote. If no direction is given and the proxy is validly executed, the stock represented by the proxy will be voted in favor of each proposal described herein. The persons authorized under the proxies will vote upon any other business that may properly come before the Magellan special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Other than the matters described herein, Magellan does not anticipate that any matters will be raised at the Magellan special meeting.

Solicitation of Proxies

The entire expense of preparing and mailing this joint proxy statement/prospectus and any other soliciting material (including, without limitation, costs, if any, related to advertising, printing, fees of attorneys, financial advisors, and solicitors, public relations, transportation, and litigation) will be borne by Magellan. In addition to the use of the mail, Magellan or certain of its employees may solicit proxies by telephone, telegram, and personal solicitation; however, no additional compensation will be paid to those employees in connection with such solicitation. In addition, Magellan has engaged The Proxy Advisory Group, LLC, in a non-solicitation stand-by advisory role. In the event Magellan deems it necessary to actively pursue proxy solicitation, The Proxy Advisory Group, LLC, may be retained to assist in the distribution of proxy solicitation materials for a services fee and the reimbursement of customary expenses, which are not expected to exceed $20,000 in the aggregate. Magellan has also retained Broadridge Corporate Issuer Solutions, Inc. ("Broadridge") to provide or coordinate specified telephone and Internet voting, mailing, handling, inspector of election, tabulation, and document hosting services. The estimated fees and expenses payable to Broadridge by Magellan for these services are approximately $50,000, plus per item charges for each registered or beneficial stockholder vote, per document charges for the hosting services, and reimbursement of Broadridge's mailing costs and expenses, of which $0 has been spent to date.

Banks, brokerage houses, and other custodians, nominees, and fiduciaries will be requested to forward solicitation material to the beneficial owners of Magellan common stock that such institutions hold of record, and Magellan will reimburse such institutions for their reasonable out-of-pocket disbursements and expenses.

No Exchange of Certificates

There will be no change in stock certificates for Magellan in connection with the merger, and Magellan stockholders will keep their existing certificate(s).

Assistance

If you need assistance in completing your proxy card, have questions regarding the Magellan special meeting, the proposals to be made at the meeting or how to submit your proxy, or want additional copies of this joint proxy statement/prospectus or the enclosed proxy card, please contact Antoine Lafargue, the Corporate Secretary of Magellan, at (720) 484-2400.

THE TELLURIAN INVESTMENTS MEETING

Date, Time and Place

The Tellurian Investments meeting will take place on [•], 2016, at [•] local time at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002.

Purpose of the Tellurian Investments Meeting

At the Tellurian Investments special meeting, holders of Tellurian Investments shares will be asked to consider and vote upon one proposal. The proposal will be to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Holders of Tellurian Investments shares may also be asked to consider and vote upon such other matters as may properly come before the Tellurian Investments special meeting, or any adjournment or postponement of the meeting. As of the mailing date of this joint proxy statement/prospectus, the Tellurian Investments board of directors knows of no other matter to be presented at the Tellurian Investments special meeting. If, however, other matters incident to the conduct of the meeting are properly brought before the meeting, or any adjournment or postponement of the meeting, the persons named in the proxy will vote the proxies in accordance with their best judgment with respect to those matters.

Recommendation of the Tellurian Investments Board of Directors

The Tellurian Investments board of directors has carefully reviewed and considered the terms and conditions of each of the matters to be considered at the Tellurian Investments special meeting. Based on its review, Tellurian Investments' board of directors has approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. In addition, the Tellurian Investments board of directors has declared that the merger agreement and the merger are fair, advisable, expedient and in the best interests of Tellurian Investments and its stockholders. Accordingly, Tellurian Investments' board of directors recommends that you vote "FOR" the approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Record Date and Voting

Each holder of record of Tellurian Investments common stock at the close of business on [•], 2016, the record date, is entitled to notice of and to vote at the Tellurian Investments special meeting. Each such stockholder is entitled to cast one vote for each share of Tellurian Investments common stock on each matter properly submitted for the vote of stockholders at the Tellurian Investments special meeting. As of the record date, there were [•] shares of Tellurian Investments common stock issued and outstanding and entitled to vote at the Tellurian Investments special meeting.

Quorum; Voting

Quorum Required

A quorum of Tellurian Investments stockholders is necessary to hold the Tellurian Investments special meeting. In accordance with Tellurian Investments' bylaws, the holders of a majority of the total number of shares issued and outstanding and entitled to be voted at the Tellurian Investments special meeting, present in person or by proxy, will constitute a quorum for the transaction of business. Stockholders are counted as present at the Tellurian Investments special meeting if they are present in person or have authorized a proxy. The presence of holders of at least [•] shares of Tellurian Investments common stock will constitute a quorum. Under Delaware law, abstentions are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Tellurian Investments special meeting. Shares of Tellurian Investments common stock held by stockholders who are not present in person or by proxy will not be counted towards a quorum.

Abstentions

Under Delaware law, an "abstention" represents a stockholder's affirmative choice to decline to vote on a proposal.

Effects of Abstentions

For Tellurian Investments Proposal 1, an abstention will have the same effect as a vote "AGAINST" the proposal.

Voting by Tellurian Investments Directors and Executive Officers

As of the record date, the directors and executive officers of Tellurian Investments beneficially owned and were entitled to vote [•] shares of Tellurian Investments common stock, which represent approximately [•]% of the voting power of the Tellurian Investments capital stock. The directors and executive officers of Tellurian Investments are expected to vote "FOR" the proposal being considered at the Tellurian Investments special meeting.

Required Vote

Approval of Tellurian Investments Proposal 1 requires the affirmative vote of holders of a majority of the outstanding shares of Tellurian Investments common stock entitled to vote thereon.

Adjournment and Postponement

Adjournments and postponements of the Tellurian Investments special meeting may be made for the purpose of, among other things, soliciting additional proxies. The Tellurian Investments special meeting may be adjourned by the affirmative vote of holders of a majority of the shares of Tellurian Investments common stock present in person or represented by proxy at the meeting and entitled to vote thereon, regardless of whether there is a quorum.

Voting Methods

Voting by Proxy Card

All Tellurian Investments shares entitled to vote and represented by properly executed proxies received prior to the Tellurian Investments special meeting, and not revoked, will be voted at the meeting in accordance with the instructions indicated on the proxy card accompanying this joint proxy statement/prospectus. If no direction is given and the proxy is validly executed, the stock represented by the proxy will be voted in favor of the proposal described herein. The persons authorized under the proxies will vote upon any other business that may properly come before the Tellurian Investments special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Tellurian Investments does not anticipate that any other matters will be raised at the Tellurian Investments special meeting.

The law of Delaware, where Tellurian Investments is incorporated, allows a proxy to be sent electronically, so long as it includes or is accompanied by information that lets the inspector of elections know that it has been authorized by the stockholder.

Voting by Attending the Meeting

Holders of record of Tellurian Investments shares and their authorized proxies may also vote their shares in person at the Tellurian Investments special meeting. If a stockholder attends the Tellurian Investments special meeting, he or she may submit his or her vote in person, and any previous votes or proxies authorized by the stockholder by mail will be superseded by the vote that such stockholder casts at the meeting.

Revocability of Proxies

You may revoke your proxy at any time before the vote is taken at the Tellurian Investments special meeting. You may revoke your proxy by:

1. giving written notice of revocation no later than the voting of the proxy at the Tellurian Investments special meeting to Tellurian Investments' Corporate Secretary, Christopher Daniels:
   - if before the voting of the proxy on the date of the meeting, by personal delivery at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002; and
   - if delivered before the date of the meeting, at Tellurian Investments' offices, 1201 Louisiana Street, Suite 3100, Houston, Texas 77002; or
2. delivering no later than the commencement of the Tellurian Investments special meeting a properly executed, later-dated proxy.

Delivering a proxy will in no way limit your right to vote at the Tellurian Investments special meeting if you later decide to attend in person and revoke the proxy in writing. The persons authorized under the proxies will vote upon any other business that may properly come before the Tellurian Investments special meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. Other than the matters described herein, Tellurian Investments does not anticipate that any matters will be raised at the Tellurian Investments special meeting.

Exchange of Certificates

Tellurian Investments stockholders’ existing stock certificate(s) will be converted into the right to receive Magellan certificates in accordance with the terms and provisions of the merger agreement.

Assistance

If you need assistance in completing your proxy card, have questions regarding the Tellurian Investments special meeting, the proposals to be made at the meeting or how to submit your proxy, or want additional copies of this joint proxy statement/prospectus or the enclosed proxy card, please contact Christopher Daniels, the Corporate Secretary of Tellurian Investments, at (832) 962-4000.

THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A. Stockholders are encouraged to read the merger agreement carefully and in its entirety, as it is the definitive legal document that governs the merger.

Effects of the Merger

At the effective time of the merger, Merger Sub, a wholly owned subsidiary of Magellan that was formed for the sole purpose of effecting the merger, will merge with and into Tellurian Investments. Tellurian Investments will survive the merger and become a wholly owned subsidiary of Magellan. In the merger, each share of Tellurian Investments common stock outstanding immediately prior to the effective time will be converted at the effective time into the right to receive 1.300 shares of Magellan common stock. If a holder of Tellurian Investments stock is entitled to receive any fractional shares of Magellan stock, such holder will receive such fractional share. Except for adjustments made to reflect stock splits, share issuances and similar changes, the exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Magellan stockholders will continue to hold their existing Magellan shares.

Background of the Merger

The Magellan board of directors continuously reviews Magellan's strategic goals, alternatives, performance and prospects as part of its ongoing evaluation of its business in an effort to enhance shareholder value. From time to time, this review has included consideration of a wide range of possible strategic alternatives. The summary below provides the background of the proposed merger.

Magellan was founded in 1957 and its assets and operations have changed substantially over the course of its history. In recent years, Magellan has focused on the development of a CO_2-EOR project in the Poplar field, located in Montana. It has also pursued the development of exploration acreage it held in the Weald Basin, onshore United Kingdom, and an exploration block it holds, NT/P82, in the Bonaparte Basin, offshore Northern Territory, Australia. While Magellan believes that its assets may ultimately have considerable value, none currently produces revenue. Therefore, in order to continue to develop and ultimately monetize the projects, Magellan has depended on sales of oil production from shallow conventional wells in the Poplar field, proceeds from sales of certain other assets, and proceeds from financing transactions. Financing transactions included the issuance to One Stone Holdings II LP ("One Stone") of Magellan Series A Preferred Stock (the "Preferred Stock") in May 2013 for proceeds of approximately $23.5 million. A second financing transaction was completed in September 2014, when Magellan's Poplar subsidiary entered into a loan agreement with West Texas State Bank. Magellan guaranteed Poplar's obligations under the loan agreement. The amount outstanding under the loan agreement at the time of closing of the One Stone transaction described below was $5.5 million.

In the last four years, Magellan has focused on the development of the CO_2-EOR project at the Poplar field primarily by implementing a five-well pilot project. In May 2015, Magellan determined that CO_2-EOR is a technically viable technique for recovery of hydrocarbons from the Charles formation at the Poplar field. Beginning in mid-2014, worldwide oil prices declined from highs over $100 per barrel in June 2014 to lows under $30 per barrel in early 2016. This dramatic decline had a variety of adverse effects on Magellan, including reducing both the revenues from Poplar's shallow conventional wells and the value of all of Magellan's projects. The availability of additional sources of financing and the market value of Magellan's common stock decreased significantly as well. In mid-2015, as it began to become increasingly apparent that oil prices were not going to recover quickly, Magellan's management and its board of directors considered various options for addressing the situation, including sales of significant assets or Magellan as a whole. Recognizing that One Stone, which had two representatives on the Magellan board of directors, might be interested in participating in any sale process as a buyer, the Magellan board of directors formed the Special Committee on June 5, 2015. The Special Committee was comprised of independent directors Brendan S. MacMillan, Ronald P. Pettirossi and J. Robinson West, with Mr. West acting as chairperson. The Magellan board of directors authorized the Special Committee to, among other things, investigate, negotiate and pursue all strategic alternatives reasonably available to Magellan, including by evaluating potential strategic transactions, soliciting offers regarding potential strategic transactions and negotiating the terms of any such offers, negotiating the terms of any definitive agreements relating to any strategic transaction, approving, or, to the extent required by Delaware law, recommending that the Magellan board of directors approve, any strategic transaction or execution of definitive agreements or

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documents relating thereto, engaging any financial, legal or other advisors it deemed appropriate, and taking such other actions as the Special Committee deemed necessary or appropriate in connection with the strategic alternatives review process. In addition, the Special Committee was given the authority to reject any offer, bid or proposal that arose from or related to the strategic alternatives review process which it deemed to be inadequate or otherwise not in the best interests of Magellan stockholders, and the Magellan board of directors resolved to uphold and act in accordance with any such rejection by the Special Committee. The formation of the Special Committee and the commencement of the strategic alternatives review process was announced in a press release issued on July 6, 2015. The Special Committee retained Petrie as its financial advisor and Davis Graham & Stubbs LLP ("DGS") as its legal advisor.

At the direction of the Special Committee, Magellan and Petrie then began a process of attempting to solicit interest in a business combination or other strategic transaction involving Magellan as a whole or a substantial amount of its assets. Petrie contacted 23 companies (including One Stone) over a five-month period, focusing on those Magellan and Petrie believed might have an interest in Magellan's CO_2-EOR projects. This process resulted in five introductory meetings, three companies being provided with access to Magellan's virtual data room and three companies being provided with technical reviews and data relating to the Poplar CO_2-EOR project. However, none of the contacted companies submitted an indicative proposal for a strategic transaction, and each terminated discussions by or before January 2016, except (i) One Stone, as described below, and (ii) one private company ("Company A"), which expressed potential interest in a corporate transaction involving Magellan if Poplar, the Preferred Stock and the West Texas State Bank loan were removed from Magellan's corporate structure. The Special Committee referred to the potential transaction with Company A, and any potential transaction similarly predicated on the elimination of the Preferred Stock and the West Texas State Bank loan, as the "Black Transaction," and referred to a potential transaction involving Poplar, the Preferred Stock and the West Texas State Bank loan as the "Green Transaction."

The Special Committee met 29 times between June 15, 2015 and March 30, 2016, and received regular updates from Petrie and management on the status of the process. The Special Committee was focused primarily during this period on a Green Transaction with One Stone because (i) none of the companies contacted by Petrie had expressed an interest in acquiring the entire company, (ii) eliminating the negative cash flows associated with the Poplar properties and the liabilities associated with the West Texas State Bank loan was a high priority given Magellan's strained liquidity position and (iii) it believed completing a Green Transaction would be a necessary prerequisite to a successful Black Transaction process, which the Special Committee believed had the greatest potential to provide value to Magellan common stockholders. However, in the initial stages of the process, the Special Committee did consider pursuing the Green and Black Transactions on a simultaneous basis. In mid-September 2015, at the direction of the Special Committee, Petrie approached One Stone to assess its potential interest in acquiring Poplar, which Magellan and Petrie believed to be the Magellan asset in which One Stone had the greatest interest. One Stone indicated its interest in a potential transaction involving an exchange of the Preferred Stock for Poplar or the Poplar field. On September 22, 2015, the Special Committee met to discuss a possible transaction structure in which the One Stone transaction would be completed in conjunction with the proposed Black Transaction with Company A, and stockholder approval for both transactions would be sought simultaneously. At the direction of the Special Committee, Petrie pursued negotiations with both One Stone and Company A regarding such a coordinated approach. One Stone expressed to Petrie and to Antoine Lafargue, Magellan's then-Chief Financial Officer, that One Stone desired the two transactions to be approached on a combined basis, and the Founding Partner of Company A expressed a similar desire.

For the next several weeks, there were relatively few communications between Magellan or Petrie and either One Stone or Company A, as Company A was engaged in an effort to determine which of its assets it might contribute to the resulting company in a potential business combination transaction with Magellan and to further assess its strategic alternatives and board support for such a transaction with Magellan. In November 2015, Company A communicated to Petrie that it had decided not to pursue the Black Transaction further.

Negotiations regarding the Green Transaction continued with One Stone. The negotiation process with respect to the Green Transaction is described in more detail in the "Background of the Exchange" section of Magellan's definitive proxy statement filed with the SEC on June 6, 2016. On March 30, 2016, the Special Committee held a telephonic meeting at which it approved an exchange agreement with One Stone pursuant to which, among other things, Magellan would transfer its interest in Poplar to One Stone in exchange for all of the outstanding shares of Preferred Stock and a cash payment. The parties entered into the exchange agreement on March 31, 2016. In a press release announcing the exchange agreement, Magellan indicated that it would focus on “generating additional value for shareholders by monetizing [its] international assets and pursuing business combination opportunities, possibly with private companies or international parties interested in accessing United States capital markets." Magellan stockholders approved the transactions contemplated by the exchange agreement on July 13, 2016, and those transactions closed on August 1, 2016.

Between the execution of the exchange agreement and July 2016, Petrie contacted 30 companies with respect to a potential Black Transaction. Most, but not all, of these companies are involved in the upstream or midstream sectors of the energy industry. Of the 30 companies contacted, six became actively engaged in discussions, and four were selected to present their management teams and business plans to the Special Committee. Tellurian Investments was one of the companies contacted in April 2016, but it indicated to Petrie at that time that it was not interested in pursuing a transaction.

The principal of one of the four companies that presented its business plan to the Special Committee was the Founding Partner of Company A, although the focus of discussions at this time was on a different company controlled by the Founding Partner ("Company B"). Company B is in the process of developing a project that would provide water for drilling activities in an area of active oil and gas development. The Special Committee believed that Company B had an attractive business plan because it had access to a substantial water resource with attractive cost characteristics and the preliminary support of a large, financially stable company that would provide most of the necessary financing. On May 19, 2016, members of Magellan's management met with representatives of Company B and Petrie to discuss a potential business combination. On May 24, 2016, the Special Committee held a meeting to discuss potentially interested parties, including the five most active companies in the process, which included Company B. Magellan and Company B began a mutual due diligence process, and DGS and counsel for Company B began drafting transaction documents.

During this time, Company B indicated to Mr. Lafargue that it might be interested in retaining him following the completion of the business combination transaction in a CFO or similar role. Mr. Lafargue promptly reported this conversation to the Special Committee. On June 20, 2016 the Special Committee considered this issue, recognizing that while allowing Mr. Lafargue to negotiate the terms of his potential employment with Company B could create a conflict of interest with respect to the business combination transaction negotiations, prohibiting him from doing so could lead him to conclude that he had to consider other employment options. After deliberation, in light of the critical role Mr. Lafargue was playing and was expected to continue to play in both the Green and Black Transaction processes, the Special Committee instructed Mr. Lafargue that he would be permitted to discuss his potential future employment with Company B, but that he would be required to promptly report to Mr. West the substance of all such discussions.

In late June 2016, Tellurian Investments indicated to Petrie that Tellurian Investments was interested in discussing a potential business combination transaction with Magellan notwithstanding Tellurian Investments' statement to the contrary in April 2016. Petrie informed the Special Committee of this interest, and disclosed to the Special Committee that it had a number of relationships with Tellurian Investments: (i) it had assisted Tellurian Investments with a recent private placement of common stock, (ii) one of its principals, Michael Bock, is a member of Tellurian Investments' board of directors and (iii) several of its principals had personal investments in Tellurian Investments common stock, none of which was material to the personal net worth of the principal. The Special Committee considered these issues and their potential impact on the negotiation process with Tellurian Investments and the fairness opinion Petrie would be expected to give in connection with any transaction with Tellurian Investments. After deliberation, the Special Committee concluded that these issues would not likely have a material effect on the process but that it would consider them in its overall evaluation of the potential transaction.

On July 7, 2016, the Special Committee and Tellurian Investments met telephonically to discuss Tellurian Investments management's experience, its business plan, and the proposed terms of a business combination. Between July 7 and July 9, 2016, Petrie negotiated with Tellurian Investments the exchange ratio representing the number of shares of Magellan common stock that would be issued to Tellurian Investments stockholders per issued and outstanding share of Tellurian Investments common stock, and tentatively agreed that the exchange ratio would be 1.300. In the meantime, discussions continued with Company B. During this period, Tellurian Investments indicated to Mr. Lafargue that it was interested in retaining him as CFO of the combined company. Mr. Lafargue reported this interest to the Special Committee, which instructed him to report to Mr. West on any discussions regarding his employment, as he had done with respect to Company B.

On Friday, July 8, 2016, the Special Committee met with the intention of deciding which of the potential transactions to pursue. It initially concluded that, although both proposals were attractive, Magellan should pursue the transaction with Company B. Later that day, however, Company B indicated to Mr. Lafargue that in conjunction with the business combination with Magellan, Company B would seek to raise additional financing and that the transfer of the water rights supporting the project would be subject to the success of the capital raising efforts, which differed from what Magellan had previously understood. Management and the Special Committee discussed these issues informally over that weekend. On Monday, July 11, 2016, the Special Committee met again and, in light of these discussions, unanimously decided to pursue the transaction with Tellurian Investments. On July 12, 2016, Magellan and Petrie indicated to Company B that it was pursuing negotiations with another party.

Magellan and Tellurian Investments entered into a confidentiality agreement on July 13, 2016. Initial reciprocal due diligence was conducted in Petrie's office on July 21, 2016, and additional due diligence continued until the execution of the merger agreement on August 2, 2016. DGS provided to Tellurian Investments and its counsel, Gray Reed & McGraw, P.C. ("GRM"), an initial draft of a merger agreement on July 15, 2016. GRM provided a revised draft of the merger agreement on July 26, 2016, which the parties discussed on July 28, 2016. The parties continued to exchange drafts of the merger agreement and related disclosure schedules until the execution of the merger agreement.

After the exchange ratio in the merger agreement had been determined, the parties discussed three compensation- and governance-related issues. First, the parties considered the terms of Mr. Lafargue's potential employment with the combined company and the effect of Mr. Lafargue's then-existing compensation arrangements. Those arrangements would have provided Mr. Lafargue with a potentially significant severance payment in connection with the Black Transaction depending on Magellan's stock price performance following the announcement of such a transaction. For example, assuming a price per share of Magellan common stock of $3.00 immediately following the closing of the Black Transaction, Mr. Lafargue would have been entitled to approximately $2.4 million, excluding a severance payment of approximately $600,000. As Mr. Lafargue reported to Mr. West, Tellurian Investments desired Mr. Lafargue to surrender his right to that payment in exchange for the compensation to be provided him pursuant to a new contractual arrangement. Second, the parties considered whether Mr. Wilson would resign as Magellan's CEO in connection with the merger and what severance he would receive. Third, the parties considered the fact that the members of the Special Committee had not received any board fees or other compensation, whether in stock or in cash, since June 2015. After discussion, Tellurian Investments proposed to resolve the issues regarding Mr. Wilson and the members of the Special Committee in the manner described in "The Merger-Interests of Magellan Directors and Executive Officers in the Merger." With respect to Mr. Lafargue, he and Tellurian Investments agreed on the terms of his future employment as set forth in a schedule to the merger agreement and described in "The Merger Agreement-Summary of Employment Contract Term Sheet of Mr. Lafargue." As instructed, Mr. Lafargue promptly disclosed the substance of these negotiations to the Special Committee.

On August 1, 2016, the Special Committee held a telephonic meeting, with representatives of Petrie and DGS and Messrs. Wilson and Lafargue attending. At this meeting, management reported that the transactions contemplated by the exchange agreement with One Stone closed on August 1, 2016. In addition, DGS reviewed with the Special Committee the key terms of the draft merger agreement, and Petrie presented the analyses underlying its fairness opinion process, in each case referring to written materials that had been circulated to the Special Committee prior to the meeting.

On August 2, 2016, the Magellan board of directors met to further consider the proposed merger agreement. Because the Green Transaction with One Stone had closed the day before, the Magellan board of directors no longer considered it necessary to conduct the process through the Special Committee. At this meeting, the Magellan board of directors discussed the current status of negotiations regarding the merger and the due diligence review of certain aspects of Tellurian Investments' business as conducted by DGS and Magellan. Petrie then orally delivered its fairness opinion to the Magellan board of directors to the effect that the consideration contemplated in the merger agreement was fair, from a financial point of view, to Magellan, which was followed by delivery of its written opinion dated August 2, 2016. The full text of the written opinion of Petrie, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex B hereto. Following discussion and deliberation, the Magellan board of directors then unanimously (i) determined that it was in the best interests of Magellan and its stockholders to enter into the merger agreement and the merger, (ii) approved the merger agreement and the merger, (iii) submitted the merger agreement

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for a vote of the Magellan stockholders and (iv) recommended approval of the merger agreement and the merger by the Magellan stockholders.

Magellan's Reasons for the Merger; Recommendation of the Magellan Board of Directors and Special Committee

On June 5, 2015, the Magellan board of directors created the Special Committee, comprised of independent directors Brendan S. MacMillan, Ronald P. Pettirossi, and J. Robinson West, with Mr. West acting as chairperson, and authorized the Special Committee to investigate, negotiate and pursue all strategic alternatives reasonably available to Magellan, including by evaluating potential strategic transactions, soliciting offers regarding potential strategic transactions and negotiating the terms of such offers, negotiating the terms of any definitive agreements relating to any strategic transaction, approving, or, to the extent required by Delaware law, recommending that the Magellan board of directors approve, any strategic transaction or definitive agreements or documents relating thereto, engaging any financial, legal or other advisors it deemed appropriate, and taking such other actions as the Special Committee deemed necessary or appropriate in connection with the strategic alternatives review process. In addition, the Special Committee was given the authority to reject any offer, bid or proposal that may arise from or relate to the strategic alternatives review process which it deemed to be inadequate or otherwise not in the best interests of Magellan stockholders, and the Magellan board of directors resolved to uphold and act in accordance with any such rejection by the Special Committee. After careful consideration, the Magellan board of directors (which assumed the functions of the Special Committee following the closing of the Green Transaction with One Stone) unanimously determined that the merger is in the best interests of Magellan and the holders of its common stock. This explanation of the reasons of the Special Committee and the Magellan board of directors for recommending the merger and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Cautionary Statement Regarding Forward-Looking Statements."

Each of the Special Committee and the Magellan board of directors considered the following material factors that it believes support its determinations:

Strategic Considerations and Benefits from the Merger

- the benefit to holders of Magellan common stock resulting from their ability to participate in the growth of the combined company, taking into account (i) the business plan of Tellurian Investments, (ii) the experience and credentials of Tellurian Investments' senior management as recognized global leaders in the LNG business and (iii) the track records of the members of Tellurian Investments' management in building value for shareholders of their prior employers;
- the long-term prospects for the LNG industry, which the Special Committee and the Magellan board of directors believe to be favorable (although the Special Committee and the Magellan board of directors recognize that the near- and medium-term prospects for the industry will likely be more challenging);
- that although Magellan retains assets it believes have certain potential value, none of these assets currently generates revenue and therefore, pursuant to Magellan's announced strategy, it will need to pursue a business combination transaction in the relatively near future;
- the belief of the Magellan board of directors that the combined company will be able to benefit stockholders by executing on Tellurian Investments' business plan and taking advantage of Magellan's remaining assets and public reporting platform;
- most of the alternative candidates Magellan considered as potential merger partners are in the upstream or midstream sectors of the energy industry and are experiencing varying degrees of financial stress as a result of the current commodity price environment, while Tellurian Investments' business plan contemplates that it will not be directly exposed to commodity price risk for a number of years;
- that the business plan of Company B, while attractive in some respects, is at an early stage of implementation and will require the support of a third party that is not obligated at present to provide such support;
- that Magellan, under the direction of the Special Committee, conducted a publicly disclosed and active strategic alternatives process over a lengthy period of time, in which it solicited interest regarding a variety

of potential transactions and structures, and that since the formation of the Special Committee in June 2015, Magellan had contacted several dozen potentially interested parties regarding a transaction involving a merger or sale of Magellan or its assets;

Opinion of Petrie Partners Securities, LLC

- the financial presentation and opinion, dated August 2, 2016, of Petrie to the Magellan board of directors as to the fairness, from a financial point of view and as of the date of such opinion, of the exchange ratio to Magellan, which opinion was based upon and subject to the factors, assumptions, limitations and qualifications set forth in its opinion, as more fully described in "Opinion of Magellan's Financial Advisor" below;

Favorable Terms of the Merger Agreement

- the terms of the merger agreement that permit Magellan to discuss and negotiate an unsolicited acquisition proposal should one be made, and permit Magellan to terminate the merger agreement in order to accept a "superior proposal," in each case in certain circumstances;
- the fact that the merger agreement allows the Magellan board of directors, under specified circumstances, to change or withdraw its recommendation to the Magellan stockholders with respect to the approval of the merger; and
- the fact that if Tellurian Investments' controlling stockholders cause the merger agreement to be terminated by voting against the approval of the merger at the Tellurian Investments meeting, Magellan will receive a termination fee of $1 million.

Risks and Potentially Negative Factors

The Special Committee and the Magellan board of directors also considered a variety of risks and other potentially negative factors concerning the merger agreement and the merger, including the following:

- the fact that Magellan's existing stockholders will own only a minority interest in the combined company, and will therefore experience a high degree of dilution in terms of their current ownership as a result of the merger;
- the fact that Tellurian Investments' business plan does not contemplate the combined company generating revenues from operations for several years, and that implementation of that plan is subject to numerous risks and uncertainties;
- the fact that, while Magellan expects the merger will be consummated, there can be no guarantee that all conditions to the parties' obligations to consummate the merger will be satisfied, in particular because Tellurian Investments' stockholders could elect to vote against approval of the merger at the Tellurian Investments meeting;
- the fact that, under certain circumstances, Magellan may be required to pay a termination fee upon termination of the merger agreement in specified circumstances;
- the fact that the analyses and projections on which the Magellan board of directors made its determinations are uncertain; and
- the fact that actual or potential conflicts of interest existed relating to Messrs. Wilson and Lafargue and Petrie as discussed in "The Merger-Interests of Magellan Directors and Executive Officers in the Merger," "The Merger-Background of the Merger" and "The Merger-Opinion of Magellan's Financial Advisor," although the Special Committee and the Magellan board of directors concluded that these conflicts were either not material to the negotiating process and/or were appropriately addressed during the process.

The Magellan board of directors unanimously concluded that the benefits of the transaction to Magellan and its common stockholders outweighed the perceived risks. In view of the wide variety of factors considered, and the complexity of these matters, the Magellan board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors it considered. Rather, the Magellan board of directors viewed the decisions as being based on the totality of the information available to it. In addition, individual members of the Special Committee and the Magellan board of directors may have given differing weights to different factors.

Opinion of Magellan's Financial Advisor

Opinion of Petrie Partners Securities, LLC to the Magellan Board of Directors

On June 29, 2015, Magellan and Petrie entered into an engagement letter (such engagement letter was amended in certain respects as of March 14, 2016) pursuant to which Petrie is acting as financial advisor to Magellan. On August 2, 2016, at a meeting of the Magellan board of directors, Petrie rendered its oral opinion, subsequently confirmed by delivery of its written opinion, that, as of August 2, 2016, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the exchange ratio was fair, from a financial point of view, to Magellan.

The full text of the written opinion of Petrie, dated as of August 2, 2016, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference in its entirety into this joint proxy statement/prospectus. You are urged to read the opinion carefully and in its entirety. Petrie's opinion was addressed to, and provided for the information and benefit of, the Magellan board of directors in connection with its evaluation of whether the exchange ratio was fair, from a financial point of view, to Magellan.

In connection with rendering its opinion and performing its related financial analyses, Petrie, among other things:

- reviewed certain publicly available information relating to Magellan, including (i) the Annual Report on Form 10-K and related audited financial statements for the fiscal year ended June 30, 2015, and (ii) the Quarterly Report on Form 10-Q and related unaudited financial statements for the fiscal quarter ended March 31, 2016;
- reviewed the Tellurian Investments Confidential Offering Memorandum dated June 14, 2016 and unaudited financial statements for the period ended June 30, 2016;
- reviewed certain non-public operating data relating to Magellan and Tellurian Investments prepared and furnished to Petrie by the respective management team and staff of Magellan and Tellurian Investments;
- reviewed certain non-public financial and operating projections relating to Tellurian Investments prepared and furnished to Petrie on July 27, 2016 by the management team and staff of Tellurian Investments;
- discussed current operations, financial positioning and future prospects of Magellan and Tellurian Investments with the respective management team of Magellan and Tellurian Investments;
- reviewed historical market prices and trading history of Magellan common stock;
- compared the financial terms of the merger with the financial terms of similar transactions Petrie has deemed relevant;
- participated in certain discussions and negotiations among the representatives of Magellan and its legal advisors and Tellurian Investments and its legal advisors;
- reviewed a draft of the merger agreement dated July 28, 2016; and
- reviewed such other financial studies and analyses and performed such other investigations and have taken into account such other matters as Petrie has deemed necessary and appropriate.

In rendering its opinion, upon the advice of Magellan and Tellurian Investments, Petrie assumed and relied upon, without assuming any responsibility or liability for, or independently verifying the accuracy or completeness of, all of the information publicly available and all of the information supplied or otherwise made available to Petrie by Magellan and Tellurian Investments. Petrie further relied upon the assurances of representatives of the management and staff of Magellan and Tellurian Investments that they were unaware of any facts that would make the information provided to Petrie incomplete or misleading in any material respect. With respect to projected financial and operating data, Petrie assumed, upon the advice of Magellan and Tellurian Investments, that such data has been prepared in a manner consistent with historical financial and operating data and reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management and staff of Magellan and Tellurian Investments relating to the future financial and operational performance of Magellan and Tellurian Investments, respectively. Petrie expressed no view as to any projected financial and operating data relating to Magellan and Tellurian Investments or the assumptions upon which they were based.

Petrie did not make an independent evaluation or appraisal of the assets or liabilities of Magellan or Tellurian Investments, nor was Petrie furnished with any such evaluations or appraisals, nor did Petrie evaluate the solvency or fair value of Magellan or Tellurian Investments under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, Petrie did not assume any obligation to conduct, nor did Petrie conduct, any physical inspection of the properties or facilities of Magellan or Tellurian Investments.

For purposes of rendering its opinion, Petrie assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement were true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement and that all conditions to consummation of the merger will be satisfied without material waiver or modification thereof. Petrie further assumed, upon the advice of Magellan, that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the merger will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on Magellan or on the consummation of the merger or that would materially reduce the benefits of the merger to Magellan.

Petrie's opinion relates solely to the fairness, from a financial point of view, of the exchange ratio to Magellan. Petrie did not express any view on, and its opinion does not address, the fairness of the merger to, or any consideration received in connection with the merger by, any creditors or other constituencies of Magellan, nor does it address the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Magellan, or any class of such persons. Petrie assumed that any modification to the structure of the merger would not vary in any material respect from what was assumed in its analysis and that the final merger agreement was, in all material respects, the same as the draft of the merger agreement reviewed by Petrie. Petrie's advisory services and the opinion expressed herein were provided for the information and benefit of the Magellan board or directors in connection with its consideration of the transactions contemplated by the merger agreement, and Petrie's opinion does not constitute a recommendation to any holder of Magellan common stock as to how such holder should vote with respect to any of the transactions contemplated by the merger agreement. Petrie's opinion does not address the relative merits of the merger as compared to any alternative business transaction or strategic alternative that might be available to Magellan, nor does it address the underlying business decision of Magellan to engage in the merger. Petrie was not asked to consider, and its opinion does not address, the prices at which Magellan common stock will actually trade at any time, including following the announcement or consummation of the merger. Petrie did not render any legal, accounting, tax or regulatory advice and understands that Magellan is relying on other advisors as to legal, accounting, tax and regulatory matters in connection with the merger.

Petrie acted as financial advisor to Magellan, and Petrie has received a fee from Magellan for its services related to the rendering of its opinion, regardless of the conclusions expressed therein. In addition, Magellan agreed to reimburse Petrie's expenses, and Petrie will be entitled to receive a success fee if the merger is consummated. In addition, Magellan has agreed to indemnify Petrie for certain liabilities possibly arising out of Petrie's engagement. During the two-year period prior to the date of its written opinion, certain of Petrie's affiliates provided financial advisory services to Magellan, and received fees from Magellan in connection with an exchange transaction involving Magellan and One Stone. In 2016, certain of Petrie's affiliates provided financial advisory services to Tellurian Investments, and received fees from Tellurian Investments in connection with a private placement of equity securities by Tellurian Investments (the "Private Placement"). Several of Petrie's principals are beneficial owners of an aggregate of approximately 1,550,000 shares of Tellurian Investments common stock (representing 1.7% of the Tellurian Investments common stock currently outstanding), the beneficial interests in which were acquired in connection with the Private Placement. On March 24, 2016 one of Petrie's principals, Michael Bock, was appointed to, and currently serves on, the board of directors of Tellurian Investments. Otherwise, during the two-year period prior to the date hereof, no material relationship existed between Petrie and its affiliates, on the one hand, and Magellan or Tellurian Investments and their applicable affiliates, on the other hand, pursuant to which Petrie or any of its affiliates received compensation as a result of such relationship. Petrie may provide financial or other services to Magellan and Tellurian

Investments in the future and in connection with any such services Petrie may receive customary compensation. Furthermore, in the ordinary course of business, Petrie or its affiliates may trade in the debt or equity securities of Magellan or Tellurian Investments for Petrie's own account and, accordingly, may at any time hold long or short positions in such securities.

Petrie's opinion was rendered on the basis of conditions in the securities markets and the oil and gas markets as they existed and could be evaluated on August 2, 2016 and the conditions and prospects, financial and otherwise, of Magellan and Tellurian Investments as they were represented to Petrie as of August 2, 2016 or as they were reflected in the materials and discussions described above. Regardless of any subsequent developments, Petrie does not have any obligation to update, revise or reaffirm its opinion.

Set forth below is a summary of the material financial analyses performed and reviewed by Petrie with the Magellan board of directors in connection with rendering its oral opinion on August 2, 2016, and the preparation of its written opinion letter dated August 2, 2016. Each analysis was provided to the Magellan board of directors. In connection with arriving at its opinion, Petrie considered all of its analyses as a whole, and the order of the analyses described and the results of such analyses do not represent any relative importance or particular weight given to such analyses by Petrie. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data that existed on August 2, 2016 and is not necessarily indicative of current market conditions.

The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial analyses performed by Petrie. The tables alone do not constitute a complete description of the financial analyses performed by Petrie. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Petrie's financial analyses.

Reference Value Analyses

Petrie performed a series of analyses to derive a range of implied exchange ratios by utilizing the following methodologies to arrive at per share equity value ranges for Magellan and Tellurian Investments.

Sum-of-the-Parts Analysis of Magellan

Petrie performed a sum-of-the-parts analysis. A sum-of-the-parts analysis is a method of valuing a company by determining what its aggregate assets would be worth if they were acquired by another company. As of August 2, 2016, Magellan's principal assets consisted of cash and cash equivalents, securities available for sale, oil and gas assets in the United Kingdom and Australia and rights to a contingent bonus payment related to a hydrocarbon field in Australia.

For the value of Magellan's cash and cash equivalents, Petrie reviewed Magellan's cash balance as of March 31, 2016, pro forma for the exchange agreement with One Stone and the cash proceeds from the sale of the Mereenie bonus and Central Weald Basin assets. For the value of Magellan's securities available for sale, consisting of common stock of Central Petroleum Limited and common stock of UK Oil & Gas Investments PLC, Petrie used the most recent trading price for each security.

For the value of Magellan's oil and gas assets in the United Kingdom, Petrie reviewed selected publicly available information for five oil and gas transactions announced between August 2014 and April 2016 that included interests in Horse Hill Development Limited, Magellan's 65% working interest partners in the Horse Hill-1 well and the Petroleum Exploration and Development Licenses 137 and 246.

Precedent Transactions

Date Announced	Buyer	Seller
04/18/16	UK Oil & Gas Investments PLC	Angus Energy Ltd
02/22/16	Regency Mines	Angus Energy Ltd
03/13/15	UK Oil & Gas Investments PLC	Danadav Investments Ltd.
03/09/15	UK Oil & Gas Investments PLC	Angus Energy Ltd; Danadav Investments Ltd.
08/13/14	UK Oil & Gas Investments PLC	Undisclosed Seller

For the value of Magellan's oil and gas assets in Australia, Petrie reviewed Magellan management's evaluation of the potential farm-out value of the NT/P82 exploration license and the potential sales value of the contingent Palm Valley bonus based on Magellan management's knowledge of the assets and ongoing discussions with potential counterparties.

From the enterprise reference values implied by this analysis, Petrie subtracted liabilities including accounts payable and accrued liabilities and notes payable as of March 31, 2016 to determine a composite equity value reference range of $1.35 to $2.30 per share of Magellan common stock.

Public Market Premium Analysis of Magellan

Petrie reviewed publicly available information for selected completed corporate transactions, announced since January 1, 2010, wherein the target was a publicly traded U.S. company, to determine the equity prices paid in transactions relative to the trading prices of the target companies prior to announcement of the transaction. Petrie reviewed publicly available information, including, but not limited to, SEC filings, databases and industry reports for these selected transactions, to arrive at premiums paid for a group of companies, which, in Petrie's judgment, were generally comparable to Magellan, based upon criteria set forth below. In each specific transaction, Petrie determined the premium or discount paid based on the value of the per share consideration received in the transaction, relative to the closing price of the target company (i) on the day prior to the announcement, (ii) 30 days prior to the announcement and (iii) 60 days prior to the announcement.

Petrie selected transactions by applying the following criteria:

- Target companies that were publicly traded U.S. corporations;
- Target companies in the oil and gas industry;
- Transactions that were announced after January 1, 2010; and
- Transaction values of less than $1.0 billion.

Petrie analyzed the following nine comparable public company transactions:

- Earthstone Energy, Inc. acquisition of Oak Valley Resources LLC
- Stratex Oil & Gas Holdings, Inc. acquisition of Richfield Oil & Gas Co.
- Contango Oil & Gas Co. acquisition of Crimson Exploration, Inc.
- Forestar Group, Inc. acquisition of CREDO Petroleum Corp.
- Halcon Resources LLC acquisition of Ram Energy Resources, Inc.
- Denver Parent Corp. acquisition of Venoco, Inc.
- Magnum Hunter Resources Corp. acquisition of NGAS Resources, Inc.
- Hess Corp. acquisition of American Oil & Gas, Inc.
- CONSOL Energy, Inc. acquisition of CNX Gas Corporation

The following table sets forth the maximum, mean, median and minimum premiums for the per share consideration received in the transaction, relative to the closing price of the target company (i) on the day prior to the announcement, (ii) 30 days prior to the announcement and (iii) 60 days prior to the announcement.

	One Day Prior	30 Days Prior	60 Days Prior
Maximum	66%	62%	57%
Mean	29%	29%	26%
Median	29%	28%	23%
Minimum	8%	6%	5%

Petrie selected ranges and applied those to Magellan's closing price (i) on the day prior to the announcement, (ii) 30 days prior to the announcement and (iii) 60 days prior to the announcement to determine a composite equity value reference range of $1.45 to $1.75 per share of Magellan common stock.

Going Concern Analysis of Tellurian Investments

Petrie analyzed the potential standalone financial performance of Tellurian Investments, without giving effect to the merger, for the fiscal years 2016-2025. The management and staff of Tellurian Investments provided the financial and operating projections and estimates upon which this analysis was based. Petrie applied terminal cash flow capitalization rates of 9.0%, 8.0% and 7.0% to estimated 2025 cash flow and utilized discount rates ranging from 12.0% to 16.0%. From the equity reference values implied by this analysis, Petrie determined a composite equity value reference range of $2.25 to $5.25 per share of Tellurian Investments common stock.

From the results of the analyses described above, Petrie divided the lowest Tellurian Investments per share equity value implied by going concern analysis by the highest Magellan per share equity values implied by the sum-of-the-parts analysis and public market premium analysis and divided the highest Tellurian Investments per share equity value implied by the going concern analysis by the lowest Magellan per share equity values implied by the sum-of-the-parts analysis and public market premium analysis to determine a range of implied exchange ratios of 0.979 to 3.892 and 1.286 to 3.621 shares of Magellan common stock per share of Tellurian Investments common stock, respectively, and compared these implied exchange ratios to the exchange ratio of 1.300.

Miscellaneous

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Petrie. In connection with the review of the merger by the Magellan board of directors, Petrie performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Petrie's opinion. In arriving at its fairness determination, Petrie considered the results of all the analyses and did not draw, in isolation, conclusions from, or with regard to, any one analysis or factor considered by it for purposes of its opinion. Rather, Petrie made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Petrie may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Petrie with respect to the actual value of the Magellan common stock. No company reviewed or considered in the above analyses for comparison purposes is directly comparable to Magellan or Tellurian Investments, and no transaction reviewed or considered is directly comparable to the merger. Furthermore, Petrie's analyses involved complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the merger, public trading or other values of the companies or transactions considered, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Magellan or Tellurian Investments or their respective management team, staff and advisors.

Petrie prepared these analyses solely for the purpose of providing an opinion to the Magellan board of directors as to the fairness, from a financial point of view, of the exchange ratio to Magellan. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the businesses or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Petrie's analyses are inherently subject to substantial uncertainty, and Petrie assumed no responsibility if future results are materially different from those forecasted in such estimates.

The issuance of the fairness opinion was approved by Petrie's opinion committee.

The exchange ratio was determined through arm's-length negotiations between Magellan and Tellurian Investments and was approved by the Magellan board of directors. Petrie provided advice to the Magellan board of directors during these negotiations. Petrie did not, however, recommend any specific exchange ratio to the Magellan board of directors or Magellan or that any specific exchange ratio constituted the only appropriate consideration for the merger. Petrie's opinion to the Magellan board of directors was one of many factors taken into consideration by the Magellan board of directors in deciding to approve Magellan entering into the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Magellan board of directors with respect to the exchange ratio or of whether the Magellan board of directors would have been willing to agree to different consideration.

Under the terms of Petrie's engagement letter with Magellan, Petrie provided Magellan and the Magellan board of directors financial advisory services and a fairness opinion in connection with the merger. Pursuant to the terms of that engagement letter (as amended), Magellan has agreed to pay Petrie customary fees for its services in connection with its engagement, including a success fee that is payable to Petrie if the merger is consummated. The total compensation earned by Petrie in connection with the contemplated transaction is a success fee of $1,250,000, payable in shares of Magellan common stock based on the 10-day volume weighted average price of Magellan common stock prior to the execution of the merger agreement and against which the following payments have been credited: (i) a fairness opinion fee of $300,000 already paid to Petrie following delivery of its fairness opinion to the Magellan board of directors, which fee would have been earned by Petrie regardless of the conclusion regarding fairness expressed in the opinion; and (ii) the success fee of $450,000 already paid to Petrie in connection with the exchange transaction. In addition, Magellan has agreed to reimburse Petrie for its reasonable out-of-pocket expenses (including reasonable legal fees, expenses and disbursements) incurred in connection with its engagement and to indemnify Petrie and its affiliates and their respective directors, officers, employees, agents and controlling persons from and against certain potential liabilities and expenses arising out of its engagement and any related transaction.

Magellan engaged Petrie to act as a financial advisor to Magellan and the Magellan board of directors based on its qualifications, experience and reputation. Petrie is a nationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, restructurings, competitive sales processes, private placements and other purposes.

Interests of Magellan Directors and Executive Officers in the Merger

Certain of Magellan's current and former directors and executive officers have interests that differ from, and may be in conflict with, those of the stockholders of Magellan with respect to the merger agreement. Each member of the Magellan board of directors was aware of these interests and considered them in making its recommendations in this joint proxy statement/prospectus.

Mr. Lafargue

As discussed in "Background of the Merger," one topic addressed in the negotiations between Magellan and Tellurian Investments related to Tellurian Investments' desire for Mr. Lafargue, now Magellan's President and Chief Executive Officer, to have a continuing role with the combined company following the completion of the merger. Under Mr. Lafargue's existing compensation arrangements, Mr. Lafargue would have been entitled to a potentially significant severance payment in connection with the merger depending on Magellan's stock price performance following the announcement of the merger. For example, assuming a price per share of Magellan common stock of $3.00 immediately following the closing of the merger, Mr. Lafargue would have been entitled to a payment of approximately $2.4 million, excluding a severance payment of approximately $600,000. Tellurian Investments desired Mr. Lafargue to surrender his right to that payment in exchange for the compensation to be provided him pursuant to

a new contractual arrangement. Following discussions between Mr. Lafargue and Tellurian Investments about the terms of Mr. Lafargue's future employment and the determination of the exchange ratio, Magellan and Tellurian Investments agreed that, as a condition to the completion of the merger, Mr. Lafargue shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release, among other things, will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the section entitled "The Merger Agreement-Summary of Employment Contract Term Sheet of Mr. Lafargue."

Mr. Wilson

Magellan and Tellurian Investments also considered whether Mr. Wilson, who was until recently Magellan's President and Chief Executive Officer, would resign from Magellan in connection with the merger and what severance he would receive. After determination of the exchange ratio, Tellurian Investments and Magellan agreed that a result of his termination for "Good Reason" (as defined in his employment agreement) in connection with the merger, Magellan would pay Mr. Wilson (i) monthly severance payments amounting to $300,000 in the aggregate, for a period of 12 months, (ii) payment of his accrued vacation amounting to approximately $106,000, (iii) reimbursement of medical benefits for a period of up to 18 months, estimated to amount to approximately $35,000 in the aggregate, and (iv) reimbursement of outstanding expenses.

Golden Parachute Compensation Table

The following table sets forth the amounts of "golden parachute" compensation (for purposes of Item 402(t) of Regulation S-K) that each named executive officer of Magellan could receive in connection with the merger. For purposes of calculating such amounts, Magellan has (i) taken into account Mr. Wilson's termination of employment for "good reason" and his associated severance benefits, (ii) assumed that all contractual or similar obligations payable to Mr. Lafargue from Magellan or its affiliates related to the merger are released, and that Mr. Lafargue will instead receive compensation pursuant to a new employment agreement to be entered into between him and Tellurian Investments, as described below in the section entitled "The Merger Agreement-Summary of Employment Contract Term Sheet of Mr. Lafargue," and (iii) used the average of the closing prices of Magellan common stock for the first five (5) business days following the date of the first announcement of the merger as the per share price of Magellan common stock.

Name	Cash ($) (1)	Equity ($)	Perquisites/ benefits ($) (2)	Other ($) (3)	Total ($)
J. Thomas Wilson	300,000	—(4)	142,648	—	442,648
Antoine J. Lafargue	—	—	—	3,695,600	3,695,600

(1) Represents cash severance payable to Mr. Wilson as a result of his termination for "good reason" on August 5, 2016.

(2) Represents (i) the payment to Mr. Wilson of his accrued vacation amounting to approximately $106,000, (ii) the reimbursement of medical benefits for a period of up to 18 months, estimated to amount to approximately $35,000 in the aggregate, and (iii) the reimbursement of certain outstanding expenses of $1,648, in each case pursuant to his termination for "good reason" on August 5, 2016.

(3) Represents the following compensation payable to Mr. Lafargue pursuant to his expected new employment agreement with Tellurian Investments: (i) $990,000 cash payment upon closing of the merger, and (ii) the value (assuming the five-day average share price described above, which is $3.38 per share), of the 800,000 shares of stock expected to be issued to Mr. Lafargue, of which 150,000 will vest in equal quarterly installments over an 18-month period and the remaining 650,000 will not vest until the affirmative final investment decision by the combined company's board of directors to move forward with a project ("FID").

(4) None of Mr. Wilson's stock options are "in-the-money." Accordingly, no amounts are included in this table in respect of Mr. Wilson's equity awards.

Members of the Special Committee

In their negotiations, Magellan and Tellurian Investments also addressed the fact that the members of the Special Committee had not received any board fees or other compensation, whether in stock or in cash, since June 2015. After the exchange ratio had been determined, the parties agreed that at the closing of the merger, any and all contractual or similar obligations payable to Magellan directors from Magellan or its affiliates, or otherwise owed to the Magellan directors as a result of their services as Magellan directors, shall have been released, except for (i) 100,000 shares of Magellan common stock, which will be issued to and divided among the Magellan directors as of the closing of the merger and (ii) the total sum of $150,000, to be divided among the Magellan directors and payable in cash at the closing of the merger, provided that such release shall not affect any right of the Magellan directors to indemnification and insurance as provided in the merger agreement.

Other Issues

In addition, Magellan's directors, executive officers and employees hold equity compensation plan awards under the Magellan 1998 Plan or the Magellan 2012 Plan, the vesting of which awards will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement. In total, the vesting of 6,250 options with an exercise price of $6.91 and 4,166 shares of Magellan restricted stock will be accelerated as a result of and upon the closing of the merger with Tellurian. Finally, Magellan's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement, as more fully described in "The Merger Agreement-Indemnification and Insurance" beginning on page 74.

Tellurian Investments' Reasons for the Merger; Recommendation of the Tellurian Investments Board of Directors

The board of directors of Tellurian Investments believes that the merger is fair to and in the best interest of its stockholders. In the course of reaching this decision, the Tellurian Investments board considered a number of factors, including:

- Access to public securities markets; and
- The ability of the combined company to more easily attract and retain skilled personnel.

Interests of Tellurian Investments Directors and Executive Officers in the Merger

Certain executive officers and directors of Tellurian Investments possess unrestricted shares of Tellurian Investments common stock and/or restricted shares of Tellurian Investments common stock issued pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. The merger agreement provides that, on the terms and subject to the conditions set forth in the merger agreement and in accordance with Delaware law, at the effective time of the merger, Merger Sub will merge with and into Tellurian Investments. Tellurian Investments will be the surviving corporation in the merger and will become a wholly owned subsidiary of Magellan. At the effective time of the merger, each outstanding share of Tellurian Investments common stock, including unrestricted shares outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan, will be converted into the right to receive 1.300 shares of Magellan common stock. Effective immediately prior to the effective time of the merger, each restricted share of Tellurian Investments common stock granted and then outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan and any associated restricted stock agreements and notices of grant will be converted into 1.300 shares of comparable restricted stock of Magellan.

If a holder of Tellurian Investments stock is entitled to receive any fractional shares of Magellan stock, such holder will receive such fractional share.

The exchange ratio will be adjusted prior to the effective time of the merger to provide Tellurian Investments common stockholders the same economic effect as contemplated by the merger agreement to account for any stock split, reverse stock split, stock dividend, subdivision, reclassification, recapitalization, combination, exchange of shares or the like that occurs with respect to the shares of either Magellan common stock or Tellurian Investments common stock outstanding after the date of the merger agreement and prior to the effective time of the merger.

Combined Company’s Board of Directors and Management Following the Merger

The board of directors of the combined company is expected to consist of Charif Souki, Martin Houston, Michael Bock, Brooke Peterson, Meg Gentle and two additional independent directors who will be elected in the near future. The management of the combined company is expected to be its Chairman, Charif Souki; Executive Vice Chairman, Martin Houston; President and Chief Executive Officer, Meg A. Gentle; Executive Vice President and Chief Operating Officer, R. Keith Teague; Senior Vice President and Chief Financial Officer, Antoine Lafargue; General Counsel and Corporate Secretary, Christopher Daniels; Senior Vice President - Projects, Howard Candelet; Senior Vice President - Gas Supply, Mark Evans; and Senior Vice President - LNG Trading, Tarek Souki.

Corporate Governance of Magellan Following the Merger

If the merger closes, Magellan’s restated certificate of incorporation and bylaws will remain the same as prior to the merger. For more information on the officers and directors of Magellan following the merger, see “Officers of the Combined Company” beginning on page 77 and “Proposed Directors of the Combined Company” beginning on page 78.

Tellurian Investments Director Compensation

The following table sets forth all of the compensation paid by Tellurian Investments and its subsidiaries, including Tellurian Services LLC, formerly known as Parallax Services LLC, for the fiscal year ended December 31, 2015 to the individuals who will serve as directors of the combined company.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Martin Houston (1)	$0	$0	$0	$0	$0	$10,863	$10,863

(1) Mr. Houston served as Chairman and President of Tellurian Services LLC during the fiscal year ended December 31, 2015. Mr. Houston's compensation for the fiscal year ended December 31, 2015 included premiums for health insurance plans of $8,825 and cell phone reimbursement of $2,038.

Tellurian Investments currently pays its directors $200,000 annually, payable in unrestricted shares of Tellurian Investments common stock. The shares are issued to the directors on August 1 of each year and the number of shares paid to the directors is based on the average value of Tellurian Investments’ common stock over the thirty days leading up to the August 1 on which such shares are payable. If a director leaves before August 1, such director shall receive a pro-rated amount of such shares based on the number of quarters such former director served as director since the previous August 1. For their service as directors through August 2016, Charif Souki, Martin Houston and Michael Bock each received 40,000 shares of Tellurian Investments common stock and Brooke Peterson 10,000 shares of Tellurian Investments common stock.

Following the merger the combined company intends to pay each of its directors in the same manner in which Tellurian Investments currently compensates its directors.

Tellurian Investments Executive Compensation

The following table sets forth the compensation paid by Tellurian Services LLC, formerly known as Parallax Services LLC, for the fiscal years ended December 31, 2014 and December 31, 2015, to the individuals who will serve as executive officers of the combined company.

Name and Principal Position	Year	Salary ($)	Bonus ($)	All Other Compensation ($) (5)	Total ($)
Martin Houston (1)	2014	$0	$0	$0	$0
	2015	$0	$0	$10,863	$10,863
Christopher Daniels (2)	2014	$0	$0	$0	$0
	2015	$0	$0	$155,197	$155,197
Howard Candelet (3)	2014	$0	$0	$0	$0
	2015	$0	$0	$0	$0
Mark Evans (4)	2014	$0	$0	$0	$0
	2015	$0	$0	$0	$0

(1) Mr. Houston served as Chairman and President of Tellurian Services LLC during the fiscal years ended December 31, 2014 and December 31, 2015.

(2) Mr. Daniels served as General Counsel of Tellurian Services LLC during the fiscal years ended December 31, 2014 and December 31, 2015.

(3) Mr. Candelet served as the person in charge of day-to-day projects oversight of Tellurian Services LLC during the fiscal years ended December 31, 2014 and December 31, 2015. Mr. Candelet received no benefits or compensation in 2014 or 2015 other than benefits worth less than $10,000 in each year.

(4) Mr. Evans served as the person in charge of gas supply, trading and economics of Tellurian Services LLC during the fiscal years ended December 31, 2014 and December 31, 2015. Mr. Evans received no benefits or compensation in 2014 or 2015 other than benefits worth less than $10,000 in each year.

(5) The amounts for the fiscal year ended December 31, 2015 in the column entitled "All Other Compensation" are detailed in the following table:

Name	Health Plan Premiums ($)	401(k) Matching	Parking	Cell Phone Expenses	Tax Gross Ups	Total ($)
Martin Houston	$8,825	$0	$0	$2,038	$0	$10,863
Christopher Daniels	$5,177	$0	$2,100	$1,920	$146,000	$155,197

The following table sets forth the compensation paid by Magellan for the fiscal years ended June 30, 2015 and June 30, 2016 to the individual who will serve as an executive officer of the combined company.

Name and Principal Position	Year	Salary ($) (1)	Bonus ($)	Stock Awards ($)	Option Awards ($)	All Other Compensation ($) (3)	Total ($)
Antoine Lafargue (4)	2015	$319,902	$0	$54,000(2)	$221,050(2)	$37,633	$632,581
	2016	$321,008	$0	$0 (2)	$0	$31,714	$352,720

(1) Salary for 2016 and 2015 includes amounts of accrued additional salary for vacation days not taken of $18,474 and $29,512, respectively.

(2) Amounts reported represent the aggregate grant date fair value of the equity awards calculated in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Compensation-Stock Compensation. The grant date values have been determined based on assumptions and methodologies discussed in Notes 1 and 11 of the Notes to the Consolidated Financial Statements included in Magellan's Annual Report on Form 10-K for the fiscal year ended June 30, 2016. Certain of the option awards are subject to performance conditions, and the grant date fair values reported reflect the determination that the probable outcome of such conditions will be the achievement of the highest level of such performance conditions. On October 12, 2015, Mr. Lafargue was granted 62,500 shares of restricted stock scheduled to vest

immediately prior the completion of a qualifying transaction. In accordance with ASC Topic 718, the grant date value of such shares is $0.

(3) The amounts for fiscal years 2015 and 2016 entitled "All Other Compensation" are detailed in the following table:

Name	Year	Qualified Retirement Plan Employer Match	Premiums for Health Insurance Plans	Premiums for Life and Disability Insurance Plans	Secured Parking Fees	Health Savings Account	Total
Antoine J.	2015	$7,813	$18,836	$1,444	$2,340	$7,200	$37,633
Lafargue	2016	$9,356	$18,455	$1,444	$2,460	$0	$31,715

(4) Mr. Lafargue served as (a) the Senior Vice President, Chief Financial Officer, Treasurer, and Corporate Secretary of Magellan from June 2015 to August 2016, (b) the Senior Vice President of Strategy and Business Development and Chief Commercial Officer of Magellan from October 2014 to June 2015, and (c) the Vice President, Chief Financial Officer and Treasurer from August 2010 to October 2014. On August 5, 2016, Mr. Lafargue was promoted to President and Chief Executive Officer of Magellan.

Overview of Compensation for Martin Houston, Executive Vice Chairman

Mr. Houston currently serves as Executive Vice Chairman of Tellurian Investments and until August 30, 2016, was also President of Tellurian Investments. Other than Mr. Houston's 2016 stock grant received for his service on Tellurian Investments' board of directors, he has not received any other compensation from Tellurian Investments, including related to his service as President.

Overview of Compensation for Meg A. Gentle, President and Chief Executive Officer

Ms. Gentle's employment letter provides for an annual base salary of $600,000. On September 16, 2016, Tellurian Investments' board of directors allowed Ms. Gentle to purchase 2,000,000 shares of Tellurian Investments common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan for $0.50 per share and Tellurian Investments has recognized $1.50 per share as compensation to Ms. Gentle. On September 19, 2016, Ms. Gentle was granted 2,500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID.

Overview of Compensation for R. Keith Teague, Executive Vice President and Chief Operating Officer

Mr. Teague's employment letter provides for an annual base salary of $400,000. On September 23, 2016, Tellurian Investments' board of directors allowed Mr. Teague to purchase 2,000,000 shares of Tellurian Investments common stock for $0.50 per share and Tellurian Investments has recognized $1.50 per share as compensation to Mr. Teague. Additionally, upon Mr. Teague commencing employment on October 10, 2016, Mr. Teague will be granted 2,500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID.

Overview of Compensation for Antoine Lafargue, Senior Vice President and Chief Financial Officer

The principal terms and conditions of Mr. Lafargue's future employment are described in "The Merger Agreement-Summary of Employment Contract Term Sheet of Mr. Lafargue."

Overview of Compensation for Christopher Daniels, General Counsel and Corporate Secretary

Mr. Daniels' Employment Agreement with Tellurian Services dated April 1, 2016 (the "Daniels Employment Agreement") provides for an annual base salary of $350,000. Beginning on January 1, 2017, Tellurian Services has the right to increase the base salary. Mr. Daniels received a signing bonus of $29,166.67 upon entering into the Daniels Employment Agreement. The Daniels Employment Agreement also provides for an annual target bonus of 150% of Mr. Daniels' base salary with a stretch target of 200%. The annual bonus is purely discretionary on the part of Tellurian Services and will be based on achievement of various performance milestones of Tellurian Services, Tellurian Investments and Mr. Daniels. If Mr. Daniels terminates his employment for "Good Reason" or Tellurian Services terminates Mr. Daniels without "Cause" (each as defined in the Daniels Employment Agreement), then Tellurian Services must pay to Mr. Daniels the salary that would have otherwise been owed to Mr. Daniels up to and including the expiration of the Daniels Employment Agreement, and any unvested shares held by him shall automatically vest. The Daniels Employment Agreement provides for an initial term of five years and automatically renews for successive one-year terms unless either party elects not to renew or the Daniels Employment Agreement is earlier terminated in accordance with its terms. On April 15, 2016, Mr. Daniels was granted 500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID. Further, on March 10, 2016, Tellurian Investments' board of directors granted Mr. Daniels 500,000 shares of Tellurian Investments common stock. Any fair value of Tellurian Investments common stock on such date in excess of zero will be recognized as compensation to Mr. Daniels.

Overview of Compensation for Howard Candelet, Senior Vice President-Projects

Mr. Candelet's Employment Agreement with Tellurian Services dated April 8, 2016 (the "Candelet Employment Agreement") provides for an annual base salary of $350,000. Beginning on January 1, 2017, Tellurian Services has the right to increase the base salary. Mr. Candelet received a signing bonus of $43,749.99 upon entering into the Candelet Employment Agreement. The Candelet Employment Agreement also provides for an annual target bonus of 150% of Mr. Candelet's base salary with a stretch target of 200%. The annual bonus is purely discretionary on the part of Tellurian Services and will be based on achievement of various performance milestones of Tellurian Services, Tellurian Investments and Mr. Candelet. If Mr. Candelet terminates his employment for "Good Reason" or Tellurian Services terminates Mr. Candelet without "Cause" (each as defined in the Candelet Employment Agreement), then Tellurian Services must pay to Mr. Candelet the salary that would have otherwise been owed to Mr. Candelet up to and including the expiration of the Candelet Employment Agreement and any unvested shares held by him shall automatically vest. The Candelet Employment Agreement provides for an initial term of five years and automatically renews for successive one-year terms unless either party elects not to renew or the Candelet Employment Agreement is earlier terminated in accordance with its terms. On April 15, 2016, Mr. Candelet was granted 500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID. Further, on March 10, 2016, Tellurian Investments' board of directors granted Mr. Candelet 500,000 shares of Tellurian Investments common stock. Any fair value of Tellurian Investments common stock on such date in excess of zero will be recognized as compensation to Mr. Candelet. Additionally, on April 19, 2016, Tellurian Investments' board of directors allowed Mr. Candelet to purchase 850,000 shares of Tellurian Investments common stock for $0.50 per share. Any fair value of Tellurian Investments common stock in excess of this purchase price will be recognized as compensation to Mr. Candelet.

Overview of Compensation for Mark Evans, Senior Vice President-Gas Supply and Business Development

Mr. Evans' Employment Agreement with Tellurian Services dated April 15, 2016 (the "Evans Employment Agreement") provides for an annual base salary of $350,000. Beginning on January 1, 2017, Tellurian Services has the right to increase the base salary. Mr. Evans received a signing bonus of $43,749.99 upon entering into the Evans Employment Agreement. The Evans Employment Agreement also provides for an annual target bonus of 150% of Mr. Evans' base salary with a stretch target of 200%. The annual bonus is purely discretionary on the part of Tellurian Services and will be based on achievement of various performance milestones of Tellurian Services, Tellurian Investments and Mr. Evans. If Mr. Evans terminates his employment for "Good Reason" or Tellurian Services terminates Mr. Evans without "Cause" (each as defined in the Evans Employment Agreement), then Tellurian Services must pay to Mr. Evans the salary that would have otherwise been owed to Mr. Evans up to and including the expiration of the Evans Employment Agreement and any unvested shares held by him shall automatically vest. The Evans Employment Agreement provides for an initial term of five years and automatically renews for successive one-year terms unless either party elects not to renew or the Evans Employment Agreement is earlier terminated in accordance with its terms. On April 15, 2016, Mr. Evans was granted 500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID. Further, on March 10, 2016, Tellurian Investments' board of directors granted Mr. Evans (through an entity controlled by Mr. Evans) 500,000 shares of Tellurian Investments common stock. Any fair value of Tellurian Investments common stock on such date in excess of zero will be recognized as compensation to Mr. Evans. Additionally, on April 19, 2016, Tellurian Investments' board of directors allowed Mr. Evans (through an entity controlled by Mr. Evans) to purchase 200,000 shares of Tellurian Investments common stock for $0.50 per share. Any fair value of Tellurian Investments common stock in excess of this purchase price will be recognized as compensation to Mr. Evans.

Overview of Compensation for Tarek Souki, Senior Vice President-LNG Trading

Mr. Souki's Employment Agreement (under U.K. law) with Tellurian UK dated August 5, 2016 (the "T. Souki Employment Agreement") provides for an annual base salary of £267,000. Mr. Souki received a signing bonus of £89,000 upon entering into the T. Souki Employment Agreement. The T. Souki Employment Agreement also provides for an annual target bonus of 150% of Mr. Souki's base salary with a stretch target of 200%. The annual bonus is purely discretionary on the part of Tellurian UK and will be based on achievement of various performance milestones of Tellurian UK, Tellurian Investments and Mr. Souki. The T. Souki Employment Agreement is terminable by either party upon six months' written notice and by Tellurian UK for "Cause" (as defined in the T. Souki Employment Agreement). In connection with the T. Souki Employment Agreement, Mr. Souki was granted 500,000 shares of Tellurian Investments restricted common stock pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan. Such restricted shares do not vest until FID. If the T. Souki Employment Agreement is terminated for any reason other than "Cause", any unvested shares held by Mr. Souki shall automatically vest. The T. Souki Employment Agreement does not have a fixed term and is continuous subject to termination under the terms of the T. Souki Employment Agreement.

Pension/Retirement Benefits

Tellurian Investments and Tellurian Services do not provide qualified pension benefits or any supplemental executive retirement benefits to any of its executive officers or directors. Tellurian Services has a defined contribution plan ("401(k) Plan") which allows eligible employees, including its executive officers, to contribute up to 100% of their compensation up to the IRS maximum. Tellurian Services matches each employee's salary deferrals (contributions at 100%) up to 6% of compensation and may make additional contributions at its discretion. Employees are immediately vested in the contributions made by Tellurian Services. Tellurian Services has made no discretionary contributions to the 401(k) Plan to date.

Additional Benefit Programs

Certain officers and directors are entitled to the following benefits: certain club memberships, parking, health insurance, and cell phone reimbursement.

Equity-Based Compensation

Tellurian Investments has granted stock and restricted stock to employees under the Tellurian Investments Inc. 2016 Omnibus Incentive Plan. The maximum number of shares of Tellurian Investments' common stock reserved for issuance under such plan is 30,000,000. As of September 29, 2016, there were 19,955,000 shares remaining available for issuance.

Regulatory Clearances Required for the Merger

Neither Magellan nor Tellurian Investments is aware of any material governmental or regulatory approvals required for the completion of the merger or compliance with the applicable corporate law of the State of Delaware. While not a regulatory agency, NASDAQ has listing requirements which must be complied with in order to be listed on that exchange, which listing requirement is a condition to closing under the merger agreement.

Treatment of Magellan Equity Awards

Certain current and former Magellan employees, officers and directors hold equity compensation plan awards under the Magellan 1998 Plan or the Magellan 2012 Plan. At the closing of the transactions contemplated by the merger agreement, any outstanding options held by Magellan current and former employees, officers and directors will remain exercisable for such period of time as provided in the applicable award agreement and the Magellan 1998 Plan or the Magellan 2012 Plan. The vesting of awards to current and former Magellan employees, officers and directors will be accelerated as a result of the merger, in accordance with the terms of the applicable award agreement and the merger agreement.

Treatment of Tellurian Investments Equity Awards

Pursuant to the Tellurian Investments 2016 Omnibus Incentive Plan, Tellurian Investments has issued and outstanding both restricted and unrestricted shares of Tellurian Investments common stock. In addition, Tellurian Investments issued shares of unrestricted Tellurian Investments common stock to members of management. The merger agreement provides that, on the terms and subject to the conditions set forth in the merger agreement and in accordance

with Delaware law, at the effective time of the merger, Merger Sub will merge with and into Tellurian Investments. Tellurian Investments will be the surviving corporation in the merger and will become a wholly owned subsidiary of Magellan. At the effective time of the merger, each outstanding share of Tellurian Investments common stock, including unrestricted shares outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan, will be converted into the right to receive 1.300 shares of Magellan common stock. Effective immediately prior to the effective time of the merger, each restricted share of Tellurian Investments common stock granted and then outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan and any associated restricted stock agreements and notices of grant will be converted into 1.300 shares of comparable restricted stock of Magellan.

If a holder of Tellurian Investments stock is entitled to receive any fractional shares of Magellan stock, such holder will receive such fractional share.

The exchange ratio will be adjusted prior to the effective time of the merger to provide Tellurian Investments common stockholders the same economic effect as contemplated by the merger agreement to account for any stock split, reverse stock split, stock dividend, subdivision, reclassification, recapitalization, combination, exchange of shares or the like that occurs with respect to the shares of either Magellan common stock or Tellurian Investments common stock outstanding after the date of the merger agreement and prior to the effective time of the merger.

Dividend Policies

Magellan has never paid a cash dividend on its common stock. The merger agreement prohibits Magellan from paying dividends to holders of Magellan common stock until the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms. Any future dividends on Magellan common stock will be at the discretion of the reconstituted board of directors and will be dependent upon Magellan's earnings, financial condition and other factors.

The declaration and payment of future dividends to holders of common stock will be at the sole discretion of the reconstituted board of directors and will depend on many factors, including actual results of operations, financial condition, capital requirements, contractual restrictions, restrictions in debt agreements, and other factors deemed relevant by the reconstituted board of directors. The reconstituted board of directors does not currently contemplate making dividend payments on common stock in the near future.

Listing of Shares of Magellan Common Stock

It is a condition to the completion of the merger that the shares of Magellan common stock to be issued to Tellurian Investments stockholders pursuant to the merger be authorized for listing to be traded on the NASDAQ Capital Market, subject to official notice of issuance.

Appraisal Rights

Magellan

The holders of Magellan common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

Tellurian Investments

Under Delaware law, Tellurian Investments stockholders have the right to dissent from the merger and to receive payment in cash for the fair value of their shares of Tellurian Investments common stock as determined by the Delaware Court of Chancery, together with interest, if any, as determined by the court, in lieu of the consideration Tellurian Investments stockholders would otherwise be entitled to pursuant to the merger agreement. These rights are known as appraisal rights. Tellurian Investments stockholders electing to exercise appraisal rights must comply with the provisions of Section 262 of the DGCL in order to perfect their rights. Tellurian Investments will require strict compliance with the statutory procedures.

The following is intended as a brief summary of the material provisions of the Delaware statutory procedures required to be followed by a Tellurian Investments stockholder in order to dissent from the merger and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements and is qualified in its entirety by reference to Section 262 of the DGCL, the full text of which appears in Annex D to this joint proxy statement/prospectus. Failure to precisely follow any of the statutory procedures set forth in Section 262 of the DGCL may result

in a termination or waiver of appraisal rights. All references in this summary to a "stockholder" are to the record holder of shares of Tellurian Investments common stock unless otherwise indicated.

Section 262 requires that stockholders for whom appraisal rights are available be notified not less than 20 days before the stockholders' meeting to vote on the merger that appraisal rights will be available. A copy of Section 262 must be included with such notice. This joint proxy statement/prospectus constitutes notice to Tellurian Investments stockholders of the availability of appraisal rights in connection with the merger in compliance with the requirements of Section 262. If a Tellurian Investments stockholder wishes to consider exercising appraisal rights, such stockholder should carefully review the text of Section 262 contained in Annex D to this joint proxy statement/prospectus because failure to timely and properly comply with the requirements of Section 262 will result in the loss of appraisal rights under Delaware law.

If you elect to demand appraisal of your shares, Tellurian Investments stockholders must satisfy each of the following conditions:

- You must deliver to Tellurian Investments a written demand for appraisal of your shares before the vote with respect to the merger is taken. This written demand for appraisal must be in addition to and separate from any proxy or vote abstaining from or voting against the adoption and approval of the merger agreement and the merger. Voting against or failing to vote for the adoption and approval of the merger agreement and the merger by itself does not constitute a demand for appraisal within the meaning of Section 262.
- You must not vote in favor of, or consent in writing to, the adoption and approval of the merger agreement and the merger. A vote in favor of the adoption and approval of the merger agreement and merger, by proxy or in person, will constitute a waiver of your appraisal rights in respect of the shares so voted and will nullify any previously filed written demands for appraisal. A proxy which does not contain voting instructions will, unless revoked, be voted in favor of the adoption and approval of the merger agreement and the merger. Therefore, a Tellurian Investments stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the merger agreement and the merger or abstain from voting on the merger agreement and the merger.
- You must continue to hold your shares of Tellurian Investments common stock through the effective date of the merger. Therefore, a stockholder who is the record holder of shares of Tellurian Investments common stock on the date the written demand for appraisal is made but who thereafter transfers the shares prior to the effective date of the merger will lose any right to appraisal with respect to such shares.

If you fail to comply with any of these conditions and the merger is completed, you will be entitled to receive the merger consideration, but you will have no appraisal rights with respect to your shares of Tellurian Investments common stock.

All demands for appraisal should be addressed to Tellurian Investments Inc., 1201 Louisiana Suite 3100, Houston, Texas 77002, Attention: Corporate Secretary, and must be delivered before the vote on the merger agreement is taken at the special meeting of Tellurian Investments stockholders and should be executed by, or on behalf of, the record holder of the shares of Tellurian Investments common stock. The demand must reasonably inform Tellurian Investments of the identity of the stockholder and the intention of the stockholder to demand appraisal of his, her or its shares.

To be effective, a demand for appraisal by a holder of common stock must be made by, or in the name of, such registered stockholder, fully and correctly, as the stockholder's name appears on his, her or its stock certificate(s). Beneficial owners who do not also hold the shares of record may not directly make appraisal demands to Tellurian Investments. The beneficial holder must, in such cases, have the registered owner, such as a broker, bank or other nominee, submit the required demand in respect of those shares. If shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made by or for the fiduciary; and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker, who holds shares as a nominee for others, may exercise his or her right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising this right for

other beneficial owners. In that case, the written demand should state the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares held in the name of the record owner.

If a Tellurian Investments stockholder holds shares of common stock in a brokerage account or in other nominee form and wishes to exercise appraisal rights, such stockholder should consult with his, her or its broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

Within 10 days after the effective time of the merger, Tellurian Investments, as the surviving corporation, must give written notice that the merger has become effective to each former Tellurian Investments stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the merger agreement and the merger. Within 120 days after the effective date of the merger, any stockholder who has complied with Section 262 will, upon written request to Tellurian Investments as the surviving corporation, be entitled to receive a written statement setting forth the aggregate number of shares not voted in favor of the merger agreement and the merger and with respect to which demands for appraisal rights have been received and the aggregate number of holders of such shares. A person who is the beneficial owner of shares of common stock held in a voting trust or by a nominee on behalf of such person may, in such person's own name, request from the surviving corporation the statement described in the previous sentence. Such written statement will be mailed to the requesting Tellurian Investments stockholder within 10 days after such written request is received by the surviving corporation or within 10 days after expiration of the period for delivery of demands for appraisal, whichever is later. Within 120 days after the effective time, either the surviving corporation or any Tellurian Investments stockholder who has complied with the requirements of Section 262 and who is otherwise entitled to appraisal rights may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all Tellurian Investments stockholders entitled to appraisal. A person who is the beneficial owner of shares of Tellurian Investments common stock held in a voting trust or by a nominee on behalf of such person may, in such person's own name, file the petition described in the previous sentence. Upon the filing of the petition by a Tellurian Investments stockholder, service of a copy of such petition shall be made upon Tellurian Investments, as the surviving corporation. The surviving corporation has no obligation to file such a petition in the event there are dissenting Tellurian Investments stockholders. Accordingly, the failure of a Tellurian Investments stockholder to file such a petition within the period specified could nullify the Tellurian Investments stockholder's previously written demand for appraisal. There is no present intent on the part of Tellurian Investments to file an appraisal petition, and Tellurian Investments stockholders seeking to exercise appraisal rights should not assume that Tellurian Investments will file such a petition or that Tellurian Investments will initiate any negotiations with respect to the fair value of such shares. Accordingly, Tellurian Investments stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262.

If a petition for appraisal is duly filed by a Tellurian Investments stockholder and a copy of the petition is delivered to the surviving corporation, the surviving corporation will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Delaware Court of Chancery with a duly verified list containing the names and addresses of all Tellurian Investments stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached by the surviving corporation. After notice to dissenting stockholders who demanded appraisal of their shares, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition, and to determine those Tellurian Investments stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided thereby. The Delaware Court of Chancery may require the Tellurian Investments stockholders who have demanded appraisal for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any Tellurian Investments stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

After determination of the Tellurian Investments stockholders entitled to appraisal of their shares of common stock, the Delaware Court of Chancery will appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5%

over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period

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between the effective date of the merger and the date of payment of the judgment. Notwithstanding the foregoing, at any time before the entry of judgment in the proceedings, Tellurian Investments may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (i) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, and (ii) interest theretofore accrued, unless paid at that time. When the value is determined, the Delaware Court of Chancery will direct the payment of such value, with interest thereon accrued during the pendency of the proceeding, if the Delaware Court of Chancery so determines, to the Tellurian Investments stockholders entitled to receive the same, upon surrender by such holders of the certificates representing those shares.

In determining fair value, and, if applicable, interest, the Delaware Court of Chancery is required to take into account all relevant factors. In Weinberger v. UOP, Inc., the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered, and that "fair price obviously requires consideration of all relevant factors involving the value of a company."

Section 262 provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In Cede & Co. v. Technicolor, Inc., the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In Weinberger, the Delaware Supreme Court construed Section 262 to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Tellurian Investments stockholders should be aware that the fair value of Tellurian Investments shares as determined under Section 262 could be more than, the same as, or less than the value that such Tellurian Investments stockholder is entitled to receive under the terms of the merger agreement.

Costs of the appraisal proceeding may be imposed upon the surviving corporation and the Tellurian Investments stockholders participating in the appraisal proceeding by the Delaware Court of Chancery as the Court deems equitable in the circumstances. Upon the application of a Tellurian Investments stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any Tellurian Investments stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Any Tellurian Investments stockholder who had demanded appraisal rights will not, after the effective time of the merger, be entitled to vote shares subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares, other than with respect to payment as of a record date prior to the effective time; however, if no petition for appraisal is filed within 120 days after the effective time of the merger, or if the Tellurian Investments stockholder delivers a written withdrawal of such stockholder's demand for appraisal and an acceptance of the terms of the merger within 60 days after the effective time of the merger, then the right of that Tellurian Investments stockholder to appraisal will cease and that Tellurian Investments stockholder will be entitled to receive 1.300 shares of Magellan stock for shares of his, her or its shares of Tellurian Investments common stock pursuant to the merger agreement. No appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any Tellurian Investments stockholder without the prior approval of the Court, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, however, that any Tellurian Investments stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party will maintain the right to withdraw its demand for appraisal and to accept the cash that such holder would have received pursuant to the merger agreement within 60 days after the effective date of the merger.

In view of the complexity of Section 262, Tellurian Investments stockholders who may wish to dissent from the merger and pursue appraisal rights should consult their legal advisors.

THE MERGER AGREEMENT
The following section summarizes material provisions of the merger agreement, which is included in this joint proxy statement/prospectus as Annex A and is incorporated herein by reference in its entirety. The rights and obligations of Magellan and Tellurian Investments are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. Magellan and Tellurian Investments stockholders are urged to read the merger agreement carefully and in its entirety-as well as this joint proxy statement/prospectus-before making any decisions regarding the merger, including the approval and adoption of the merger agreement, and the transactions contemplated by the merger agreement, including the merger, and the approval of the issuance of shares of Magellan common stock to Tellurian Investments stockholders pursuant to the merger.
The merger agreement is included in this joint proxy statement/prospectus to provide you with information regarding its terms and is not intended to provide any factual information about Magellan or Tellurian Investments. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

- are not necessarily intended as statements of fact, but rather as a way of allocating the risk between the parties in the event that the statements therein prove to be inaccurate;
- have been qualified by certain disclosures that were made between the parties in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement; and
- may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See “Where You Can Find More Information” beginning on page 105.
This summary is qualified in its entirety by reference to the merger agreement.
Terms of the Merger; Merger Consideration
The merger agreement provides that, on the terms and subject to the conditions set forth in the merger agreement and in accordance with Delaware law, at the effective time of the merger, Merger Sub will merge with and into Tellurian Investments. Tellurian Investments will be the surviving corporation in the merger and will become a wholly owned subsidiary of Magellan. At the effective time of the merger, each outstanding share of Tellurian Investments common stock will be converted into the right to receive 1.300 shares of Magellan common stock. Effective immediately prior to the effective time of the merger, each restricted share of Tellurian Investments common stock granted and then outstanding under the Tellurian Investments 2016 Omnibus Incentive Plan and any associated restricted stock agreements and notices of grant will be converted into 1.300 shares of comparable restricted stock of Magellan.
If a holder of Tellurian Investments stock is entitled to receive any fractional shares of Magellan stock, such holder will receive such fractional share.
The exchange ratio will be adjusted prior to the effective time of the merger to provide Tellurian Investments common stockholders the same economic effect as contemplated by the merger agreement to account for any stock split, reverse stock split, stock dividend, subdivision, reclassification, recapitalization, combination, exchange of shares or the like that occurs with respect to the shares of either Magellan common stock or Tellurian Investments common stock outstanding after the date of the merger agreement and prior to the effective time of the merger.
Completion of the Merger
The parties will complete the transactions contemplated by the merger agreement when all of the conditions to the completion of the transactions, as provided in the merger agreement, are satisfied or waived. The merger will become effective at the date and time the parties file the certificate of merger with the Delaware Secretary of State or at such subsequent time as agreed to in writing by Magellan and Tellurian Investments and specified in the certificate of merger.

Magellan and Tellurian Investments currently expect the closing of the merger to occur in the fourth calendar quarter of 2016. However, as the merger is subject to the satisfaction or waiver of other conditions described in the merger agreement, it is possible that factors outside the control of Magellan and Tellurian Investments could result in the merger being completed at an earlier time, a later time or not at all.

Exchange of Shares in the Merger

Prior to the effective time of the merger, Magellan will appoint an exchange agent reasonably acceptable to Tellurian Investments for the purpose of exchanging shares of Tellurian Investments common stock in connection with the merger. At the effective time of the merger, each share of Tellurian Investments common stock will be converted into the right to receive 1.300 shares of Magellan common stock.

Promptly after the effective time of the merger, the exchange agent will mail to each holder of one or more Tellurian Investments stock certificates or shares of Tellurian Investments common stock represented by book-entry, a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates will pass, only upon proper delivery of such certificates to the exchange agent, or in the case of book-entry shares, upon adherence to the procedures set forth in the letter of transmittal. That letter of transmittal will also include instructions explaining the procedure for surrendering Tellurian Investments stock certificates or, in the case of book-entry shares, the surrender of such shares for payment of the merger consideration.

After the effective time of the merger, shares of Tellurian Investments common stock will no longer be outstanding. At the effective time, those shares will be automatically canceled and will cease to exist, and each certificate or book-entry share, if any, that previously represented shares of Tellurian Investments common stock will represent only the right to receive the merger consideration as described above, and any dividends or other distributions to which the holders of the certificates become entitled upon surrender of such certificates or book-entry shares. With respect to those shares of Magellan common stock deliverable upon the surrender of Tellurian Investments stock certificates or book-entry shares, until holders of such Tellurian Investments stock certificates or book-entry shares have surrendered those stock certificates or book-entry shares to the exchange agent, those holders will not receive dividends or distributions declared or made with respect to such shares of Magellan common stock with a record date after the effective time of the merger.

Representations and Warranties

The merger agreement contains representations and warranties made by each party to the merger agreement regarding aspects of such party’s business, financial condition, structure and other facts pertinent to the merger. Each of Magellan and Tellurian Investments has made representations and warranties regarding, among other things:

- due organization, organizational power, and qualification to do business;
- capitalization and due authorization of outstanding equity;
- authorization in connection with the merger agreement and related agreements;
- non-contravention of the merger agreement with organizational documents and material agreements;
- ownership of subsidiaries and their jurisdiction of incorporation or organization;
- absence of required governmental consents or filings in connection with the merger agreement;
- accuracy of financial statements and absence of material changes after latest unaudited financial statements;
- absence of undisclosed liabilities or brokerage fees;
- conduct of operations in the ordinary course of business and in compliance with applicable laws, including tax, property and environmental laws, and maintenance of necessary government permits;
- absence of material legal proceedings;
- regulatory, environmental, and employee matters;
- material contracts;
- intellectual property;

- hedging;
- compliance with and exemption from securities laws; and
- required stockholder approval to adopt the merger agreement.

Magellan has also made additional representations and warranties relating to:

- legal title to material real property, leaseholds, and personal property, and the absence of material encumbrances on owned and leased property;
- insurance matters;
- absence of non-consent, undisclosed non-current payments or undisclosed royalties;
- compliance with anti-corruption and money laundering laws;
- receipt of the fairness opinion; and
- compliance of benefit plans with applicable law.

Tellurian Investments has also made additional representations and warranties relating to:

- compliance of benefit plans with applicable law;
- absence of ownership of Magellan stock by Tellurian Investments, its affiliates and associates; and
- certain investment representations and acknowledgements.

Tellurian Investments also made a representation and warranty relating to its lack of ownership of Magellan common stock that would cause it to be an "interested stockholder" as such term is defined in Section 203 of the DGCL.

The merger agreement also contains certain representations and warranties of Magellan with respect to its wholly owned subsidiary, Merger Sub, including, without limitation, representations about Merger Sub's organizational power, corporate authority with respect to the execution, delivery and performance of the merger agreement, and absence of conflicts and violations.

Many of the representations and warranties in the merger agreement are qualified by a "materiality" or "material adverse effect" standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect). For purposes of the merger agreement, a "material adverse effect" means, with respect to a person, a change, effect, event or occurrence that is materially adverse to the business, financial condition, or results of operations of that person and its subsidiaries, taken as a whole, but excluding:

- any change, effect, event or occurrence in general economic or financial market conditions (but any such change, effect, event or occurrence will be taken into account to the extent it disproportionately affects that person compared to other persons in the same industry);
- any change, effect, event or occurrence resulting from or relating to the announcement or pendency of the transactions contemplated by the merger agreement;
- any change in the market price or trading volume of Magellan common stock;
- the outbreak or escalation of war or terrorism or the occurrence of natural disasters (but any such outbreak, escalation or occurrence will be taken into account to the extent it disproportionately affects that person compared to other persons in the same industry);
- any change in any applicable laws or regulations applicable to such person or applicable accounting regulations or principles or the interpretation thereof (but any such change will be taken into account to the extent it disproportionately affects that person compared to other persons in the same industry);
- any litigation arising from any alleged breach or other violation of applicable law relating to the merger agreement or the transactions contemplated by the merger agreement; and

- any change, effect, event or occurrence that generally affects the prices of oil, gas, natural gas, natural gas liquids or other commodities.

Conduct of Business by Magellan and Tellurian Investments Pending Closing

Each of Magellan and Tellurian Investments has agreed to certain covenants in the merger agreement restricting the conduct of its business between the date of the merger agreement and the effective time of the merger. In general, each of Magellan and Tellurian Investments has agreed to conduct its business in the ordinary course consistent with past practice and to use commercially reasonable efforts to preserve intact its present business organization and the goodwill of those having business relationships with it, retain its officers and key employees, and comply in all material respects with applicable law.

In addition, each of Magellan and Tellurian Investments has agreed to specific restrictions relating to the conduct of its business between the date of the merger agreement and the effective time, including, without limitation, to not do any of the following (subject, in each case, to exceptions specified below and in the merger agreement or previously disclosed in writing as provided in the merger agreement or as agreed in writing by the parties, or as required by law):

- issue or redeem equity or declare dividends;
- issue notes or other debt securities or enter into borrowing agreements or other financing arrangements;
- sell or otherwise dispose of any the properties with a fair market value in excess of $50,000 in the aggregate;
- make capital expenditures in excess of $50,000 in the aggregate for any fiscal year;
- merge with any entity or acquire assets outside the ordinary course of business;
- make any loans to any person;
- enter into, terminate or amend certain material agreements;
- make certain accounting and tax-related changes;
- amend its organizational documents;
- adopt a plan of liquidation, dissolution, restructuring or other reorganization;
- fail to use commercially reasonable efforts to maintain insurance;
- enter into certain litigation settlements; or
- commit or agree to take any of the foregoing actions.

See Section 5.2 of the merger agreement for the full list of activities that Magellan and Tellurian Investments are prohibited from engaging in prior to closing.

No Solicitation

The merger agreement provides that Magellan will not (i) solicit, facilitate, encourage or induce any inquiries or proposals that could reasonably be expected to lead to or constitute the submission of an alternative merger with a person or entity other than Tellurian Investments (an “Alternative Proposal”), (ii) furnish any confidential information in connection with an Alternative Proposal, (iii) approve, recommend or enter into any agreement relating to an Alternative Proposal, or (iv) withdraw or modify the recommendation to vote for the proposed merger.

However, Magellan’s non-solicitation obligations are qualified by “fiduciary out” provisions which provide that Magellan may take certain otherwise prohibited actions with respect to an unsolicited Alternative Proposal if the board of directors determines that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties and certain other requirements are satisfied. Magellan shall promptly advise Tellurian Investments of any Alternative Proposal. Magellan may recommend to its stockholders that it accept the Alternative Proposal under circumstances set forth in Section 5.3 of the merger agreement. In particular, if at any time prior to stockholder approval of the merger agreement Magellan’s board of directors receives an Alternative Proposal that (i) the board of directors deems to be bona fide and (ii) the board of directors, after consultation with its financial and legal advisors, determines to be more favorable to Magellan stockholders from a financial point of view than the transactions contemplated by the merger agreement (a “Superior Proposal”), then the board of directors may change its recommendation that the Magellan stockholders approve the merger agreement and may enter into negotiations and execute a definitive agreement with respect to the Superior Proposal, subject to (A) providing five business days’ notice to Tellurian Investments of the Superior Proposal and (B) at Tellurian Investments’ request, negotiating in good with faith with Tellurian Investments during such five business day period in connection with an alternative transaction.

Indemnification and Insurance

Following the merger, Magellan and Tellurian Investments will be responsible for jointly and severally indemnifying officers, directors and employees of the Magellan to the extent that such persons were subject to indemnification prior to the merger. Magellan shall purchase six years of “tail insurance” to provide for indemnification of existing Magellan directors, officers and employees for acts committed prior to the date of the merger.

Additional Covenants

Included among the obligations of the parties are the following:

- Magellan is obligated to file this joint proxy statement/prospectus with the SEC and give notice of and convene a special meeting of stockholders as provided in this joint proxy statement/prospectus to approve the merger and the other transactions contemplated by the merger agreement;
- Magellan is obligated to file with the SEC a registration statement containing this joint proxy statement/prospectus, and Magellan and Tellurian Investments are obligated to use all reasonable best efforts to have the registration statement declared effective by the SEC;
- Magellan and Tellurian Investments shall use commercially reasonable efforts (i) to consummate the closing of the merger and (ii) to cause Magellan common stock to be eligible for continued listing on the NASDAQ Capital Market following the effective time of the merger; and
- all fees and expenses incurred in connection with the transactions contemplated by the merger agreement are the obligation of the respective party incurring such fees.

Conditions to the Completion of the Merger

Conditions to Magellan’s and Tellurian Investments’ obligations to effect the merger, as set forth in the merger agreement, include the following:

- Magellan stockholder approval of the merger and the other transactions contemplated by the merger agreement;
- Tellurian Investments stockholder approval of the merger and the other transactions contemplated by the merger agreement;
- Absence of any governmental injunction, judgment or ruling preventing consummation of the transactions contemplated by the merger agreement; and
- All representations and warranties of the parties shall be true and correct as of the closing of the merger (subject to certain materiality qualifiers) and all obligations of the parties to be accomplished at or prior to the closing have been completed.

In addition, Tellurian Investments’ obligation to effect the merger, as set forth in the merger agreement, is conditioned on the following:

- The resignation of all directors and officer of Magellan and each Magellan subsidiary, except for any person(s) that might be designated by Tellurian Investments;
- Antoine Lafargue shall have released any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, provided that such release (i) will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement and (ii) will not affect any right of Mr. Lafargue to indemnification and insurance as provided in the merger agreement; and

- The Magellan shares to be issued in the merger shall have been approved for listing on the NASDAQ Capital Market.

Summary of Employment Contract Term Sheet of Mr. Lafargue

As noted above, Tellurian Investments' obligation to effect the merger is conditioned on the release by Antoine Lafargue of any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates, which release will be subject to receipt by Mr. Lafargue of an offer of employment by Magellan, effective as of the effective time of the merger, providing for terms and conditions substantially similar to those set forth in the Tellurian Investments disclosure schedule to the merger agreement, the principal terms and conditions of which are summarized below.

Mr. Lafargue's title will be Senior Vice President and Chief Financial Officer of Magellan. His initial salary will be set at an annual rate of $350,000, subject to annual merit-based increases beginning on January 1, 2018. Beginning on January 1, 2017, Mr. Lafargue will be eligible to receive an annual target cash bonus of 150% of his annual salary (with a stretch target cash bonus of 200% of his annual salary) that will be discretionary and based on company and personal performance milestones which will be agreed between the President of the combined company and Mr. Lafarge within one month of his start date. The employment agreement will have a three-year term, and Mr. Lafargue's employment will be subject to termination by Magellan for "cause." Mr. Lafargue will receive a signing bonus of (i) $990,000 in cash, payable on the day after the closing of the transactions contemplated by the merger agreement, subject to the release by Mr. Lafargue of any and all contractual or similar obligations payable to him from Magellan or its affiliates, or otherwise owed to him as a result of his services as an officer, director, agent or employee of Magellan or its affiliates; and (ii) 800,000 shares of Magellan stock expected to be issued to Mr. Lafargue, of which 150,000 will vest in equal installments over an 18-month period and the remaining 650,000 will not vest until FID. Mr. Lafargue will also be entitled to participate in the employee benefit programs of the combined company. The terms and conditions of Mr. Lafargue's employment agreement remain subject to further negotiation and approval by the board of directors of Tellurian Investments.

Termination of the Merger Agreement

The merger agreement may be terminated for reasons that include the following:

- By mutual written consent of the board of directors of each of Magellan and Tellurian Investments;
- By Magellan or Tellurian Investments if (i) the merger has not been completed by December 31, 2016, subject to certain conditions; (ii) if a governmental injunction, judgment or ruling preventing consummation of the transactions contemplated by the merger agreement is in effect and becomes final and nonappealable, subject to certain exceptions; (iii) the Magellan meeting has concluded and the Magellan stockholders have not approved the transactions contemplated by the merger agreement; or (iv) the Tellurian Investments meeting has concluded and the Tellurian Investments stockholders have not approved the transactions contemplated by the merger agreement;
- By Magellan if (i) the Magellan board of directors receives a Superior Proposal and determines to accept the Superior Proposal; however, Tellurian Investments will have the right to negotiate with the Magellan board of directors for a five business day period following notice from Magellan to Tellurian Investments of such Superior Proposal prior to Magellan's acceptance of such Superior Proposal; or (ii) Tellurian Investments has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (A) would cause the failure by Tellurian Investments to satisfy its closing conditions, and (B) is not cured or is not curable within 30 days; and
- By Tellurian Investments if (i) the Magellan board of directors withdraws, modifies or qualifies, or proposes publicly to withdraw, modify or qualify, in a manner adverse to Tellurian Investments, its recommendation that stockholders approve the merger agreement, or publicly recommends the approval or adoption of, or publicly approves or adopts, or proposes to publicly recommend, approve or adopt, any Alternative Proposal; or (ii) Magellan or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement , which breach or failure (A) would cause the failure by Magellan to satisfy its closing conditions, and (B) is not cured or is not curable within 30 days.

Termination Fee

A termination fee will be payable by Magellan to Tellurian Investments for any and all third-party transaction fees and expenses incurred by Tellurian Investments with the drafting, negotiation, execution and delivery of the merger agreement and related documents (including fees and expenses for attorneys, accountants and other advisors), subject to a maximum of $1,000,000 in the aggregate, in the following circumstances:

- an Alternative Proposal has been publicly proposed and not withdrawn at the date of the Magellan special meeting, (ii) either party terminates the merger agreement because (A) the merger has not occurred by December 31, 2016, or (B) Magellan stockholders do not approve the merger, and (iii) Magellan enters into a definitive agreement with respect to, or consummates a transaction that constitutes, an Alternative Proposal within 12 months of the termination of the merger agreement (except that references to 20% in the definition of “Alternative Proposal” in the merger agreement shall be deemed references to 50%);
- the merger agreement is terminated by Tellurian Investments if the Magellan board of directors changes its recommendation that the Magellan stockholders vote in favor of the merger;
- the merger agreement is terminated by Tellurian Investments if Magellan or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (i) would cause the failure by Magellan or Merger Sub to satisfy its closing conditions, and (ii) is not cured or is not curable within 30 days; or
- the merger agreement is terminated by Magellan in order to accept a Superior Proposal.

Reverse Termination Fee

A termination fee of $1,000,000 will be payable by Tellurian Investments to Magellan in the following circumstances:

- the merger agreement is terminated by Magellan or Tellurian Investments because Tellurian Investments stockholders do not approve the merger at their special meeting;
- Tellurian Investments has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the merger agreement, which breach or failure (i) would cause the failure by Tellurian Investments to satisfy its closing conditions, and (ii) is not cured or is not curable within 30 days; or
- the merger agreement is terminated by Magellan because Tellurian Investments does not use commercially reasonable efforts to secure the approval for listing the Magellan shares to be issued in the merger.

Amendment of the Merger Agreement

The merger agreement may be amended or supplemented in any and all respects by written consent of both Magellan and Tellurian Investments, with the exception that, following receipt of Magellan or Tellurian Investments stockholder approval, no provision in the merger agreement can be amended if it would require further approval by the Magellan or Tellurian Investments stockholders, without such approval.

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Officers of the Combined Company

Name	Title	Age
Martin Houston	Executive Vice Chairman	58
Meg A. Gentle	President and Chief Executive Officer	42
R. Keith Teague	Executive Vice President and Chief Operating Officer	51
Antoine J. Lafargue	Senior Vice President and Chief Financial Officer	42
Christopher Daniels	General Counsel and Corporate Secretary	43
Howard Candelet	Senior Vice President - Projects	72
Mark Evans	Senior Vice President - Gas Supply	50
Tarek Souki	Senior Vice President - LNG Sales	39

Martin Houston has served as Executive Vice Chairman since August 30, 2016 and as a Director of Tellurian Investments since February 23, 2016. He was also President of Tellurian Investments from February 23, 2016 until August 31, 2016. Having spent more than three decades at BG Group plc, a FTSE 10 international integrated oil and gas company, Mr. Houston retired in February 2014 as the Group’s Chief Operating Officer and an executive director. From 2004 to 2009, he was a non-executive director of Severn Trent plc, he is a former director of the Society of International Gas Tanker and Terminal Operators (SIGTTO), and from 2008 to 2014 he was the vice president for the Americas of GIIGNL, the International Group of Liquefied Natural Gas Importers. Mr. Houston is the international chairman of the Houston-based investment bank Tudor Pickering Holt, sits on the National Petroleum Council of the United States, is a non-executive director of The British United Provident Association Limited (BUPA) (an international healthcare group, serving more than 14 million customers in over 190 countries), is a senior advisor to Pine Brook Partners (a private equity firm based in New York), and is a nonexecutive director of CC Energy Development (a private oil and gas exploration and production company). He was the first recipient of the CWC LNG Executive of the Year award in 2011 and is a Companion of the Institution of Gas Engineers and Managers as well as a Fellow of the Geological Society of London. As a lover of opera, he sits on the Development Committee of the Royal Opera House in London.

Meg A. Gentle has served as President and Chief Executive Officer of Tellurian Investments since August 31, 2016. Ms. Gentle previously served as Executive Vice President-Marketing at Cheniere Energy, Inc. ("Cheniere") from February 2014 until August 26, 2016 and served as Senior Vice President-Marketing from June 2013 to February 2014, Senior Vice President and Chief Financial Officer from March 2009 to June 2013, Senior Vice President-Strategic Planning & Finance from February 2008 to March 2009, Vice President of Strategic Planning from September 2005 to February 2008 and Manager of Strategic Planning from June 2004 to September 2005. Prior to joining Cheniere, Ms. Gentle spent eight years in energy market development, economic evaluation and long-range planning. She conducted international business development and strategic planning for Anadarko Petroleum Corporation, a publicly traded integrated energy company, from January 1998 to May 2004 and energy market analysis for Pace Global Energy Services, an energy management and consulting firm, from August 1996 to December 1998. Ms. Gentle received a B.A. in Economics and International Affairs from James Madison University in May 1996 and an M.B.A. from Rice University in May 2004.

R. Keith Teague has agreed on September 23, 2016 to serve as Executive Vice President and Chief Operating Officer at Tellurian Investments beginning on October 10, 2016. Mr. Teague previously served as Executive Vice President, Asset Group at Cheniere from February 2014 until September 22, 2016. Mr. Teague served at Cheniere as Senior Vice President-Asset Group from April 2008 to February 2014. Mr. Teague also served as President of CQH Holdings Company, LLC (formerly known as Cheniere Pipeline Company), a wholly owned subsidiary of Cheniere, from January 2005 until September 22, 2016. Prior to April 2008, he served as Vice President-Pipeline Operations of Cheniere since May 2006. Mr. Teague began his career with Cheniere in February 2004 as Director of Facility Planning.

Prior to joining Cheniere, Mr. Teague served as the Director of Strategic Planning for the CMS Panhandle Companies from December 2001 until September 2003. He began his career with Texas Eastern Transmission Corporation where he managed pipeline operations and facility expansion. Mr. Teague received a B.S. in Civil Engineering from Louisiana Tech University and an M.B.A. from Louisiana State University.

Antoine J. Lafargue has served as Magellan's President, Chief Executive Officer, Chief Financial Officer, Treasurer and Corporate Secretary since August 5, 2016. From June 2015 to August 5, 2016, Mr. Lafargue served as Magellan's Senior Vice President, Chief Financial Officer, Treasurer, and Corporate Secretary. From October 2014 to June 2015, Mr. Lafargue served as Magellan's Senior Vice President of Strategy and Business Development and Chief Commercial Officer, and from August 2010 to October 2014, Mr. Lafargue served as Magellan's Vice President, Chief Financial Officer and Treasurer. Previously, he has served in a number of senior financial management positions during a career in the United States and Europe. Mr. Lafargue served as the Chief Financial Officer of Falcon Gas Storage, a natural gas storage company based in Houston, Texas as a principal for Arcapita, a global financial services firm, focusing on investments in the energy and infrastructure sectors. and in various financial and strategic advisory roles in the energy sector based in London working for Bank of America, Credit Suisse and Societe Generale.

Mr. Lafargue holds master's degrees in Finance from the Ecole Superieure de Commerce de Paris and in Social and Political Sciences from the Institut d'Études Politiques, both located in France.

Christopher Daniels has served as General Counsel and Corporate Secretary of Tellurian Investments since April 1, 2016. He was most recently the General Counsel and Chief of Staff at the Parallax group of companies. Prior to that, he worked in various executive positions at BG Group, and before that was a Senior Associate at Fulbright and Jaworski (now Norton Rose Fulbright). He graduated from Tulane Law School in 1999 and from the United States Merchant Marine Academy in 1994.

Howard Candelet has served as Senior Vice President-Projects of Tellurian Investments since April 8,2016. He previously worked for BG Group for 54 years with more than 40 years dedicated to LNG. He has held many senior LNG operational positions during this period, with six years as Vice President of Operations Atlantic LNG and eight years as Vice President of Operations of BG's Global shipping. Educated in the U.K. with a Higher National Certificate in Electrical and Electronic Engineering and CEI in Process Gas Engineering, Mr. Candelet became a Chartered Engineer in 1989.

Mark Evans has served as Senior Vice President - Gas Supply of Tellurian Investments since April 15, 2016 where he is responsible for natural gas and power activities. Immediately prior to Tellurian Investments, Mr. Evans served in a similar role at Parallax Enterprises starting in 2014. From 2002 to 2013, he worked at BG Group where he was responsible for its North American energy trading and marketing business. Prior to BG Group, Mr. Evans worked at Duke Energy from 1990 to 2000 serving in various energy trading roles. He has a BBA from Stephen F. Austin State University where he majored in Finance and an MBA from the University of Houston.

Tarek Souki has served as the Senior Vice President - LNG Trading of Tellurian Investments since August 5, 2016. He was most recently the VP of Finance and Business Development at Cheniere Marketing in charge of all middle and back office and finance for the marketing and trading group. Prior to Cheniere, Mr. T. Souki spent 14 years in working for various financial institutions including most recently at Credit Suisse in New York and London. There he specialized in power, energy, and mining corporate and project finance. Mr. T. Souki holds an MBA from the University of Southern California and a BA in Economics from the University of California, Irvine. Tarek Souki is the son of Charif Souki.

Proposed Directors of the Combined Company

Name	Age
Charif Souki	63
Martin Houston	58
Meg A. Gentle	42
Michael Bock	51
Brooke Peterson	66

Two additional independent directors will be elected in the near future.

Charif Souki has served as a Director and Chairman of the Board of Tellurian Investments since February 23, 2016. Mr. Souki founded Cheniere Energy, Inc. in 1996 and served as Chairman of the Board of Directors, Chief Executive Officer and President until December 2015. Prior to Cheniere, Mr. Souki was an investment banker. Mr. Souki serves on the board of trustees of the American University of Beirut and as a member of the Advisory Board of the Center on Global Energy Policy at Columbia University. Mr. Souki received a B.A. from Colgate University and an MBA from Columbia University.

Michael Bock has served as a Director of Tellurian Investments since March 24, 2016. Mr. Bock is a co-founder of Petrie Partners, LLC, a boutique investment banking firm offering financial advisory services to the oil and gas industry. Prior to co-founding Petrie Partners, LLC, Mr. Bock was a Managing Director of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“BofA Merrill Lynch”) in the Global Energy & Power Investment Banking Group. He joined BofA Merrill Lynch as part of BofA Merrill Lynch’s acquisition of Petrie Parkman & Co. at year-end 2006. At Petrie Parkman, Mr. Bock served as Head of Corporate Finance and as a member of the firm’s Board of Directors. Mr. Bock joined Petrie Parkman in 1993. Mr. Bock earned his B.A. degree, cum laude, from Harvard University in 1987. He is a CFA charterholder and is a member of the CFA Institute and the Denver Society of Securities Analysts.

Brooke Peterson has served as a Director of Tellurian Investments since July 2016. He has been involved in construction, resort development and real estate for in excess of 35 years, and has been extensively involved in non-profit work since moving to Aspen in 1975. Mr. Peterson is a member of the Colorado Bar and has been licensed to practice law for over 30 years, has served as an arbitrator and mediator, and currently serves as a Municipal Judge in Aspen, Colorado. Mr. Peterson currently serves as Manager of Ajax Holdings LLC, Ajax’s affiliated companies, and is the CEO of Coldwell Banker MasonMorse. Mr. Peterson earned his B.A. degree from Brown University in 1972 and his J.D. degree from The University of Denver College of Law in 1975.

PROPOSALS FOR THE MAGELLAN SPECIAL MEETING

Magellan Proposal 1: Issuance of Shares of Magellan Common Stock

For a summary and detailed information regarding this proposal, see the information about the merger and issuance of shares of Magellan common stock in connection with the merger contained throughout this joint proxy statement/prospectus, including the information set forth in the sections entitled "The Merger" beginning on page 47. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

Under the merger agreement, approval of this proposal is a condition to the completion of the merger. If the proposal is not approved, the transactions will not be completed even if the other proposals related to the transactions are approved.

Under the NASDAQ rules, the proposed issuance of Magellan common stock requires the affirmative vote of holders of a majority of the total votes cast on the proposal but Delaware law requires the affirmative vote of holders of a majority of the shares present in person or represented by proxy at the Magellan special meeting and entitled to vote on the proposal.

The Magellan board of directors has approved the merger and the merger agreement and recommends that Magellan stockholders vote "FOR" the proposal to approve the issuance of shares of Magellan common stock to Tellurian Investments stockholders in connection with the merger.

Magellan Proposal 2: Approval of the Magellan 2016 Plan

On September 26, 2016, the Magellan board of directors approved the Magellan Petroleum Corporation 2016 Omnibus Incentive Compensation Plan, subject to stockholder approval, including the material terms of the performance goals set forth in the Magellan 2016 Plan for purposes of Section 162(m) of the Code. The effective date for the Magellan 2016 Plan will be the date it is approved by Magellan's stockholders.

Why You Should Vote in Favor of the Plan

General

The Magellan board of directors believes that the Magellan 2016 Plan will play an important role in the combined company's human resource and business strategy by allowing it to continue to appropriately attract, motivate, and retain experienced and highly qualified individuals who are in a position to contribute materially to the success and long-term objectives of the combined company. Consistent with the combined company's compensation philosophy, the Magellan board of directors believes that stock-based compensation fosters and strengthens a sense of proprietorship and personal involvement in the combined company's success. By holding a personal stake in the combined company, these individuals are encouraged to devote their best efforts towards the achievement of the combined company's business objectives and success, thereby advancing the interests of the combined company and its stockholders.

With the approval of the Magellan 2016 Plan, the combined company will be able to use equity in its compensation arrangements, and it will have a broader array of equity award design alternatives available to use in structuring those arrangements. Except for 800,000 shares of Magellan restricted stock expected to be issued to Mr. Lafargue upon the closing of the merger, the combined company is not proposing that any shares be awarded to any specific individuals at this time.

The combined company intends to use shares under the Magellan 2016 Plan to implement the broad objectives of its compensation philosophy, including (i) compensating executives for their willingness to accept lower than prevailing market rate salaries, (ii) implementing a performance-based stock incentive program to incentivize valuable company personnel, and (iii) attracting necessary executives and other key personnel. Additionally, approval of the Magellan 2016 Plan will permit the combined company to compensate its directors with stock. The use of equity as part of the combined company's compensation program is important because it fosters a pay-for-performance culture, which is an important element of the combined company's overall compensation philosophy. The Magellan board of directors believes that equity compensation motivates individuals to create shareholder value, since the value realized from the equity compensation is based on the combined company's stock performance. At the same time, management and the board of directors of Magellan are cognizant of the expense attributable to compensatory stock awards, as well as potential dilution to existing stockholders and strive to maintain both at appropriate levels.

162(m) Compliance

The Magellan 2016 Plan is also designed to allow the combined company to issue awards that qualify as "performance based compensation" that is exempt from the deduction limitations of Section 162(m) of the Code. As background, Section 162(m) limits the combined company's ability to deduct for federal income tax purposes any compensation in excess of $1 million paid to its chief executive officer and certain other highly compensated officers, unless the compensation qualifies as performance-based compensation. Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code must be issued pursuant to a stockholder approved plan and must vest and be payable upon achievement of one or more of the types of performance goals set forth in the plan, with the exact performance metrics of individual awards to be determined in advance by the CNG Committee in accordance with the Code Section 162(m) rules. The combined company intends to award equity compensation to employees and officers under the Magellan 2016 Plan that qualifies as performance-based compensation deductible under Section 162(m) of the Code. Accordingly, and as part of the plan proposal and as required under Section 162(m) and related regulations, Magellan stockholders are being asked to approve the material terms under with the remuneration is to be paid, including the performance goals (including the business criteria on which any qualified performance goals are based) under the Magellan 2016 Plan so that awards made by the CNG Committee to employees and officers can qualify as performance-based compensation deductible under Section 162(m).

Existing Equity Compensation Plans

As of September 29, 2016, Magellan had 726,973 stock options outstanding, with a weighted average exercise price of $11.32. In addition, as of September 29, Magellan had 66,666 shares of unvested restricted stock outstanding. The closing price of a share of Magellan common stock as reported by the NASDAQ Capital Market on September 29, 2016, was $5.26.

Magellan currently has the Magellan 2012 Plan, from which its makes equity-based awards to employees and directors. As of September 29, 2016, there were approximately 306,481 shares of Magellan common stock reserved and available for future awards under the Magellan 2012 Plan. Accordingly, if the Magellan 2016 Plan is not approved by the stockholders, the combined company will be limited in its ability to make future equity awards to employees and directors. Thus, the combined company's ability to attract and retain executives and other key personnel will be significantly impaired. If the proposed Magellan 2016 Plan is approved by stockholders, future equity awards to employees and directors will be made from the Magellan 2016 Plan. Except for 800,000 shares of Magellan restricted stock expected to be issued to Mr. Lafargue upon the closing of the merger, the combined company will not grant any additional awards under the Magellan 2012 Plan. Equity awards previously granted under the Magellan 2012 Plan will remain outstanding in accordance with their terms. In addition, equity awards previously granted under the Magellan 1998 Plan will remain outstanding in accordance with their terms.

Description of the Magellan Petroleum Corporation 2016 Omnibus Incentive Compensation Plan

The Magellan 2016 Plan provides for the granting of the following types of awards:

- Stock options
- Stock appreciation rights
- Restricted stock and/or restricted stock units
- Performance shares and/or performance units
- Incentive awards
- Cash awards
- Other stock-based awards

The various types of awards that may be granted under the Magellan 2016 Plan are designed to allow the combined company to respond to changes in compensation trends and practices, tax laws, accounting standards, and the size and diversity of its business.

Magellan is seeking stockholder approval for a maximum share authorization of 40,000,000 common shares under the Magellan 2016 Plan. Provisions have also been included to meet the requirements to allow for deductibility of executive compensation under Section 162(m) of the Code with respect to performance-based compensation awarded to applicable participants.

The following is a general summary of the material provisions of the Magellan 2016 Plan and is qualified in its entirety by the full text of the Magellan 2016 Plan, which is attached to this joint proxy statement/prospectus as Annex C. Capitalized terms not defined in the summary are defined in the plan document.

Term of Plan. The Magellan 2016 Plan will expire 10 years from the date of its adoption by the Magellan board of directors.

Participants. Employees, directors, officers and consultants are considered eligible participants under the Magellan 2016 Plan. As of September 29, 2016, there were approximately 28 full-time employees and three non-employee directors of the combined company that would be eligible to participate in the Magellan 2016 Plan if it were to become effective.

Shares Authorized. Subject to stockholder approval, the maximum share authorization reserved for issuance under the Magellan 2016 Plan is 40,000,000 common shares, plus any remaining authorized common shares available under the Magellan 2012 Plan (and not subject to outstanding awards under the Magellan 2012 Plan) immediately before the effective date of the Magellan 2016 Plan. The shares to be delivered under the Magellan 2016 Plan may be made available from any combination of shares held in the combined company’s treasury or authorized but unissued shares of the combined company’s common stock.

Shares are counted against the authorization only to the extent they are actually issued. Shares related to awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of the shares, or are settled in cash in lieu of shares, will again be available for grant under the Magellan 2016 Plan. In addition, any shares related to grants or awards made under the Magellan 2012 Plan that after the effective date of the Magellan 2016 Plan may lapse, expire, terminate, or are cancelled or surrendered, without having been exercised in full, shall become available for grant under the Magellan 2016 Plan. The full number of stock appreciation rights granted that are to be settled by the issuance of shares will be counted against the number of shares authorized for award under the Magellan 2016 Plan, regardless of the number of shares actually issued upon settlement of such stock appreciation rights.

The number of shares authorized to be issued under the Magellan 2016 Plan, as well as individual limitations and exercise prices, will be subject to adjustments for stock dividends, stock splits, recapitalizations, mergers, or similar corporate events. No adjustments will be made with respect to a participant’s award if such adjustments would result in adverse taxation under Section 409A of the Code.

Administration. Unless otherwise specified by the board of directors of the combined company, the CNG Committee will be the plan administrator for the Magellan 2016 Plan (the “Plan Administrator”). The Plan Administrator is responsible for administering the Magellan 2016 Plan and has the discretionary power to interpret the terms and intent of the Magellan 2016 Plan and any related documentation, to determine eligibility for awards and the terms and conditions of awards, to adopt rules, regulations, forms, instruments, and guidelines for the Magellan 2016 Plan, and to exercise such powers and perform such acts as are deemed necessary or advisable to promote the best interests of the combined company with respect to the Magellan 2016 Plan. Determinations of the Plan Administrator made under the Magellan 2016 Plan are final and binding. The Plan Administrator may designate the appropriate employees or other agents of the combined company to handle the day-to-day administrative matters of the Magellan 2016 Plan.

Award Terms. All awards to participants under the Magellan 2016 Plan are subject to the terms, conditions, and limitations as determined by the Plan Administrator. Under the Magellan 2016 Plan, participants may be granted either incentive stock options that comply with the requirements of Section 422 of the Code (if they are employees) or nonqualified stock options that do not comply with those requirements (which may be granted to all eligible participants). Stock options must have an exercise price per share that is not less than the fair market value of the

combined company's common stock on the date of grant, except in the case of stock options granted in assumption of, or in substitution for, outstanding awards previously granted by an acquired company or a company with which the combined company combines. Specifically, the Plan Administrator may not amend the terms of an outstanding stock option to reduce the exercise price, cancel it, and replace it with a new stock option with a lower exercise price, or cancel an outstanding option with an exercise price above the then-current fair market value of the combined company's common stock in exchange for another type of award. Stock options have a maximum term of ten (10) years from the date of grant. Employees may pay the exercise price with cash or its equivalent, by means of a broker-assisted cashless exercise, with previously acquired shares of the combined company's common stock, by a net exercise arrangement, or by any other means approved by the Plan Administrator.

Stock appreciation rights may be granted under the Magellan 2016 Plan in tandem with a stock option, in whole or in part, or may be granted separately. The exercise price of a stock appreciation right may not be less than the fair market value of the combined company's common stock on the date of grant, except in the case of stock appreciation rights granted in assumption of, or in substitution for, outstanding awards previously granted by an acquired company or a company with which the combined company combines. Specifically, the Plan Administrator may not amend the terms of an outstanding stock appreciation right to reduce the grant price, cancel it and replace it with a new stock appreciation right with a lower grant price, or cancel an outstanding stock appreciation right with a grant price above the then-current fair market value of the combined company's common stock in exchange for another type of award. Stock appreciation rights have a maximum term of ten (10) years from the date of grant.

A restricted stock award consists of shares of stock that are transferred to the participant subject to restrictions that may result in forfeiture if specified conditions are not satisfied. A holder of restricted stock is treated as a current stockholder and is entitled to voting rights and to receive dividends. The Plan Administrator may require that the dividend be paid in cash or shares on the dividend payment date, or accrued and/or reinvested in additional shares and paid at the time the restricted stock vests and settles. A restricted stock unit award results in the transfer of shares of stock or cash to the participant only after specified conditions are satisfied. Rights to dividend equivalents, payable in cash or shares on the dividend payment date or accrued and/or reinvested in additional shares and paid at the time the restricted stock units vest and are settled, may be extended to and made part of any restricted stock unit award, at the discretion of the Plan Administrator. A holder of a restricted stock unit award is treated as a stockholder with respect to the award only when the shares of common stock are delivered upon vesting and settlement of the award. Except as permitted by the Plan Administrator and specified in the award agreement, restricted stock and restricted stock unit awards settled in stock that are not performance-based will vest over a minimum period of one (1) year, and restricted stock and restricted stock unit awards settled in stock that are performance-based will vest over a minimum period of one (1) year.

A performance award (whether granted as a performance share or a performance unit) consists of a grant made subject to the attainment of one or more performance goals for a specified performance period (as determined by the Plan Administrator but not less than one year) and may be intended to meet the requirements for qualified performance-based compensation under Section 162(m) of the Code. Performance awards will only be earned by participants if the performance goals are met for the performance period. At the discretion of the Plan Administrator and as prescribed in the award agreement, payment may be made in the form of cash, shares, or a combination of cash and shares. Rights to dividend equivalents, payable in cash and/or shares (including reinvestment in additional shares) and paid at the time the performance award vests and settles, may be extended to and made part of any performance award, at the discretion of the Plan Administrator.

Cash awards may be made to participants as determined by the Plan Administrator. The Plan Administrator will determine the terms and conditions of such cash awards, including whether the payout of such awards is subject to the achievement of performance goals.

Other stock-based awards may be equity-based or equity-related awards other than stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, or performance units. The terms and conditions of other stock-based awards will be determined by the Plan Administrator. Payment under any other stock-based awards may be made in common stock or cash, as determined by the Plan Administrator.

Termination of Employment. Except in the event of a participant's death or disability or termination without cause or with good reason, and unless otherwise specified in the Magellan 2016 Plan or a participant's award agreement, all unvested and/or unexercisable awards will automatically be forfeited upon termination of employment. With respect to stock options or stock appreciation rights, unless otherwise specified in the participant's award agreement, the participant will have at least three (3) months following termination in which to exercise the vested portion of the awards; provided, however, that in the event of the death of an optionholder, such exercise must be made on the earlier of (a) the date 12 months following the date of death or (b) the expiration of the term of such option as set forth in the award agreement. In the event (a) of the death or disability of the participant or (b) that a participant's employment is terminated without cause or by the participant for good reason, (i) all of such participant's outstanding stock options and stock appreciation rights become fully exerciseable, and remain exercisable for a period of one (1) year or until the earlier expiration of the original term of the stock option or stock appreciation right, (ii) all time-based vesting restrictions on the participant's outstanding awards lapse as of the date of such termination, and (iii) the payout opportunities attainable under all of the participant's outstanding performance-based awards shall be determined as provided in the award agreement or any special Magellan 2016 Plan document governing the award, or any employment, consulting, change of control severance, or similar service agreement with such participant. In the event of a termination for cause (as defined in the Magellan 2016 Plan), all of a participant's awards, whether vested or unvested, exercisable or unexercisable, will automatically be forfeited. The Plan Administrator will have sole discretion for determining termination provisions for awards.

Treatment of Awards Upon a Change of Control. Unless otherwise provided in a participant's award agreement, in the event of a change of control of the combined company, any outstanding stock option or stock appreciation right will become fully exercisable, any outstanding performance share, performance unit, restricted stock, restricted stock unit, other stock-based award, or other cash award that was forfeitable will become non-forfeitable and fully vest, and to the extent applicable, will be converted into shares of the combined company's common stock or cash.

Clawback Provision. Each participant's award shall be subject to repayment or forfeiture in accordance with any policy of the combined company, any provision of applicable law, including the Sarbanes-Oxley Act of 2002 and/or the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and any relevant provisions in the related award agreement.

Transferability of Awards. Award rights may not be transferred, assigned, pledged, or hypothecated in any manner other than by will or by the applicable laws of descent and distribution, unless the participant has received the Plan Administrator's prior written consent. However, the Magellan 2016 Plan provides that certain transfers may be made to permitted transferees upon approval of the Plan Administrator.

Amendment to the Plan. Subject to approval of the Magellan board of directors with respect to amendments that are required by law or regulation or stock exchange rules to be submitted to the stockholders of the combined company for approval, the Magellan board of directors or the CNG Committee may amend the Magellan 2016 Plan as it may deem proper and in the best interests of Magellan. However, to the extent required by applicable law, regulation, or stock exchange rule, stockholder approval will be required. No change can be made to any award granted under the Magellan 2016 Plan without the consent of the participant if such change would impair the right of the participant under the provisions of the award to acquire or retain common stock or cash that the participant may have otherwise acquired.

162(m) Performance Goals

The plan proposal includes the approval of the material terms of the Code Section 162(m) performance goals under the plan, including (i) the participants eligible to receive compensation under the Magellan 2016 Plan; (ii) a description of the business criteria on which the performance goal is based; and (iii) the maximum amount of compensation that can be paid to a participant if the performance goal is achieved. These aspects of the Magellan 2016 Plan are described below. This summary is qualified in its entirety by reference to the complete text of the Magellan 2016 Plan, which is attached to this joint proxy statement/prospectus as Annex C.

Eligibility

As described above, all of the combined company's directors, officers, employees and certain consultants are eligible to receive awards under the Magellan 2016 Plan.

Performance Goals

For any awards intended to meet the requirements of Section 162(m) of the Code, the grant or vesting of such awards may be based upon one or more performance goals that apply to the specified participant, one or more business units of the combined company, or the combined company as a whole. The Plan Administrator will determine the performance goals applicable to any such awards at the time the awards are granted. Prior to the payment of any award based on the achievement of performance goals intended to qualify under Section 162(m) of the Code, the CNG Committee must certify in writing that the applicable performance goals and any material terms were, in fact, satisfied. The CNG Committee cannot adjust an award intended to meet the requirements of Section 162(m) of the Code upward for a participant, but retains the discretion to adjust any such award downward. In making awards intended to meet the standards of Section 162(m) of the Code, the CNG Committee may base a performance goal on:

Financial Goals:	Earnings Revenues Debt level Cost reduction targets Interest-sensitivity gap levels EBITDAX or adjusted EBITAX	Earnings per share Cash flow from operations Equity ratios Capital expended Weighted average cost of capital Return on assets	Net income Free cash flow Expenses Working capital Operating or profit margin Return on equity or capital employed
Operating Goals:	Engineering milestones Construction milestones Regulatory milestones Execution of engineering, procurement and construction agreements Completion of regulatory filings	Receipt of and compliance with regulatory approvals Receipt of a commitment of financing or refinancing Closing of financing or refinancing Reaching Final Investment Decision Execution of commercial agreements	Completion of construction milestones Achievement of safety standards Operating efficiency Production targets Fuel usage Cost of production Management of risk
Corporate and Other Goals:	Total stockholder return Asset quality levels Investments Satisfactory internal or external audits Achievement of balance sheet or income statement objectives	Market share Assets Asset sale targets Value of assets Employee retention/attrition rates Improvements of financial ratings	Charge-offs Non-performing assets Fair market value of common stock Regulatory compliance Safety targets Economic value added MMBTU growth per net debt adjusted share

Any performance measure(s) may be used in comparison to the performance of a group of peer companies, or a published or special index that the CNG Committee, in its sole discretion, deems appropriate.

Maximum Payment Limitation

Under the Magellan 2016 Plan, no employee may be granted during any calendar year performance shares or performance units in excess of 10,000,000 shares of common stock, or if settled in cash, cash in excess of the value of 10,000,000 shares of common stock (as of the time of settlement).

United States Federal Income Tax Consequences

The following is a brief description of the U.S. federal income tax treatment that will generally apply to awards made under the Magellan 2016 Plan, based on U.S. federal income tax laws and regulations currently in effect. The summary is not intended to be exhaustive and, among other things, does not describe state, local, or foreign income and other tax consequences. The exact U.S. federal income tax treatment of an award will depend on the specific nature and form of such award.

Incentive Stock Options. An employee generally will not recognize taxable income upon the grant or exercise of an incentive stock option. However, the amount by which the fair market value of the shares on the exercise date of an incentive stock option exceeds the exercise price of the shares generally will constitute an item of adjustment

for alternative minimum tax purposes, and may therefore result in alternative minimum tax liability to the participant. Incentive stock option tax treatment will be available only if the participant has been an employee of the combined company or its subsidiaries within three months of the date of exercise. The combined company will not be entitled to any business expense deduction upon the grant or exercise of an incentive stock option. If the employee has held the shares acquired upon exercise of an incentive stock option for at least two years after the date of grant and for at least one year after the date of exercise, upon disposition of the shares by the employee, the difference, if any, between the sales price of the shares and the exercise price of the option will be treated as a long-term capital gain or loss. If the employee does not satisfy these holding period requirements (resulting from a disqualifying disposition), the employee will generally recognize ordinary income for the year of disposition, in an amount equal to the excess of the fair market value of the shares on the date the option was exercised over the option exercise price (or, if less, the amount realized upon disposition over the exercise price). Any excess of the amount realized by the employee on the disqualifying disposition over the fair market value of the shares on the date of exercise of the option will be long-term or short-term capital gain, depending on the holding period of the shares. The combined company generally will be entitled to a deduction in the year of disposition equal to the amount of ordinary income recognized by the employee. The employee’s basis in the shares acquired upon exercise of an incentive stock option is equal to the exercise price paid, plus any amount includible as ordinary income as a result of a disqualifying disposition. A disqualifying disposition of shares acquired upon exercise of an incentive stock option will eliminate the alternative minimum taxable income adjustment if the disposition occurs in the same taxable year as the exercise. A disqualifying disposition in a subsequent taxable year will not affect the alternative minimum tax computation in the earlier year.
Nonqualified Stock Options. A participant will not recognize any income at the time of grant of a nonqualified stock option, and the combined company will not be entitled to a tax deduction with respect to such grant. Generally, upon exercise of a nonqualified stock option, the participant will recognize ordinary income in an amount equal to the amount by which the fair market value of the shares on the date of exercise exceeds the exercise price of the option. Subject to any deduction limitation under Section 162(m) of the Code (which is discussed below), the combined company will be entitled to a U.S. federal income tax deduction in the year of exercise in the same amount as the taxable compensation recognized by the participant. The participant’s basis in the stock for purposes of measuring the amount of gain will be the exercise price paid to the combined company plus the amount of compensation includible in income at the time of exercise. A participant’s subsequent disposition of shares acquired upon the exercise of a nonqualified stock option will ordinarily result in long-term or short-term capital gain or loss, depending on the holding period of the shares.

Generally, the shares received upon exercise of an option or stock appreciation right under the Magellan 2016 Plan are not subject to restrictions on transfer or risks of forfeiture and, therefore, the participant will recognize income on the date of exercise of a nonqualified stock option or stock appreciation right. However, if the optionee is subject to Section 16(b) of the Exchange Act, the Section 16(b) restriction will be considered a substantial risk of forfeiture for tax purposes. Under current law, participants who are either directors or officers of the combined company will be subject to restrictions under Section 16(b) of the Exchange Act during their term of service and for up to six months after termination of service. Exchange Act Rule 16b-3 provides an exemption from the restrictions of Section 16(b) for the grant of derivative securities, such as stock options, under qualifying plans. The Magellan 2016 Plan is intended to satisfy the requirements for exemption under Exchange Act Rule 16b-3. Therefore, the grant of awards will not be considered a purchase and the exercise of the awards to acquire the underlying shares of the combined company’s common stock will not be considered a purchase or a sale. Therefore, ordinary income will be recognized and measured on the date of exercise.

Payment of Option Exercise Price in Shares. If a nonqualified option is exercised by tendering previously owned shares of the combined company’s common stock in payment of the exercise price, then, instead of the treatment described above, the tender generally will not be considered a taxable disposition of the previously owned shares and no gain or loss will be recognized with respect to the equivalent number of new shares (the exchanged shares) acquired at the time of exercise. The participant’s basis and holding period for the exchanged shares will be the same as the previously owned shares exchanged. The participant will, however, have ordinary income equal to the fair market value on the date of exercise of the new additional shares received in excess of the number of exchanged shares. The participant’s basis in the new additional shares will be equal to the amount of such compensation income, and the holding period will begin on the date of exercise. However, if an incentive stock option is exercised by tendering previously owned shares of the combined company’s common stock in payment of the exercise price and the previously owned shares were acquired upon the exercise of an incentive stock option and have not satisfied statutory holding period requirements, a disqualifying disposition will occur and the employee will recognize income and be subject to other basis allocation and holding period adjustments with respect to the exchanged shares.

Stock Appreciation Rights and Performance Awards. When stock appreciation rights are exercised or when performance awards are settled or paid, the amount of cash and the fair market value of property received by the employee (including shares) will be ordinary income, unless the property is subject to transfer restrictions or forfeiture. For the potential tax consequences of transfer restrictions or forfeiture conditions, see “Magellan Proposal 2: Approval of the Magellan 2016 Plan-United States Federal Income Tax Consequences-Restricted Stock” below.

Restricted Stock. Restricted stock granted under the Magellan 2016 Plan may, in the determination of the Plan Administrator, be subject to rights of repurchase, forfeiture, and other transfer restrictions. The tax consequences of stock granted under the Magellan 2016 Plan depend on whether the stock is subject to restrictions and, if so, whether the restrictions are deemed to create a substantial risk of forfeiture under Section 83 of the Code (for example, stock granted under the Magellan 2016 Plan that is subject to forfeiture if the employee terminates employment prior to the time the restrictions lapse, which restrictions lapse over a period of continued employment, is considered a substantial risk of forfeiture under Section 83 of the Code). If stock is not subject to a substantial risk of forfeiture, the participant normally will recognize taxable ordinary income equal to the value of the stock on the date on which the stock is granted, less any amount paid for that stock. If the stock is subject to a substantial risk of forfeiture, the employee normally will recognize taxable ordinary income as and when the substantial risk of forfeiture lapses, in the amount equal to the fair market value of the shares at the time they are no longer subject to the substantial risk of forfeiture, less any amount paid for the stock. Upon disposition of the stock, the participant will recognize a capital gain or loss equal to the difference between the selling price and the sum of any amount paid for the stock plus any amount recognized as ordinary income upon grant or vesting of the stock. The gain or loss will be long-term or short-term, depending on how long the participant held the stock.

A recipient of stock subject to a substantial risk of forfeiture may make an election under Section 83(b) of the Code to recognize ordinary income on the date the participant receives the restricted stock, rather than waiting until the substantial risk of forfeiture lapses. If the participant makes a Section 83(b) election, the participant will be required to recognize as ordinary income on the date the participant receives the stock grant the difference, if any, between the fair market value of the stock on the award date without regard to the substantial risk of forfeiture and any purchase price paid. If the participant makes a Section 83(b) election, the participant will not be required to recognize any income when the substantial risk of forfeiture lapses.

The shares acquired will have a cost basis equal to the fair market value of the shares on the date the risk of forfeiture lapses (or the date of grant if a Section 83(b) election is made). When the participant disposes of the shares acquired, any amount received in excess of the share’s cost basis will be treated as long-term or short-term capital gain, depending on the holding period of the shares. If the amount the participant receives is less than the cost basis of the shares, the loss will be treated as long-term or short-term capital loss, depending on the holding period of the shares.

Other Awards. In addition to the types of awards described above, the Magellan 2016 Plan authorizes certain other awards that may include payments in cash, common stock, or a combination of cash and common stock. The tax consequences of such awards will depend on the specific terms of such awards. Generally, however, a participant who receives an award payable in cash will recognize ordinary income with respect to such award when paid, and the combined company will be entitled to a corresponding deduction at that time. In general, the grant of stock to a participant under the Magellan 2016 Plan will be a taxable event at the time of the grant if such stock at that time is not subject to a substantial risk of forfeiture or is transferable within the meaning of Section 83 of the Code in the hands of the participant (for such purposes, stock is ordinarily considered to be transferable if it can be transferred to another person who takes the stock free of any substantial risk of forfeiture). In such case, the participant will recognize ordinary income, and the combined company will be entitled to a deduction, equal to the excess of the fair market value of such stock on the date of the grant over the amount, if any, paid for such stock. Stock that at the time of receipt by a participant is subject to a substantial risk of forfeiture and that is not transferable within the meaning of Section 83 of the Code, generally will be taxed under the rules applicable to restricted stock as described above.

Other Tax Issues. The terms of awards granted under the Magellan 2016 Plan may provide for accelerated vesting or payment of an award in connection with a change of control of the combined company. In that event, and

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depending upon the individual circumstances of the recipient, certain amounts with respect to such awards may constitute excess parachute payments under the golden parachute provisions of the Code. Pursuant to these provisions, a participant will be subject to a 20% excise tax on any excess parachute payments, and the combined company will be denied any deduction with respect to such payments.

In general, Section 162(m) of the Code imposes a $1,000,000 limit on the amount of compensation that may be deducted by the combined company in any tax year with respect to the combined company's named executive officers (excluding the combined company's Chief Financial Officer), including any compensation relating to an award granted under the Magellan 2016 Plan. Compensation that is considered to be performance-based will not have to be taken into account for purposes of the $1,000,000 limitation, and, accordingly, should be deductible by the combined company without limitation under Section 162(m) of the Code. Provided that (i) an option is approved by a committee comprised of two or more outside directors and has an exercise price of at least the fair market value of the underlying shares on the date of grant, (ii) the plan under which the option is granted imposes a per person limit on the number of shares covered by awards, and (iii) the material terms of the plan under which the option is granted have been disclosed to and approved by stockholders, any compensation deemed paid by the combined company in connection with the disqualifying disposition of incentive stock option shares or the exercise of nonqualified options will qualify as performance-based compensation for purposes of Section 162(m). An award may also qualify as performance-based compensation if the Plan Administrator conditions the grant, vesting, or exercisability of such an award on the attainment of pre-established objective performance goals.

If any award granted under the Magellan 2016 Plan is considered deferred compensation under Section 409A of the Code, then certain requirements must be met for the deferral to be effective for U.S. federal tax purposes. These requirements include ensuring that any election to defer made by the participant is done within the time period(s) permitted by Section 409A; imposing certain limitations on distributions; and prohibiting the acceleration of the time or schedule of any payment of deferred amounts, except in certain permitted circumstances. If these requirements are not met, the participant will be immediately taxable on such purportedly deferred amounts, a 20% penalty tax will be imposed, and interest will accrue at the underpayment rate plus 1% on the tax underpayments that would have occurred had the compensation been includible in the taxable year in which the amounts were first deferred or, if later, the first taxable year in which such deferred compensation is not subject to a substantial risk of forfeiture.

The taxable income resulting from awards under the Magellan 2016 Plan, other than incentive stock options, will constitute wages subject to withholding, and the combined company will be required to make whatever arrangements are necessary to ensure that funds equaling the amount of tax required to be withheld are available for payment, including the deduction of required withholding amounts from the participant's other compensation and requiring payment of withholding amounts as part of the exercise price or as a condition to receiving shares pursuant to an award. The combined company will generally be required to withhold applicable taxes with respect to any ordinary income recognized by a participant in connection with awards made under the Magellan 2016 Plan. Whether or not such withholding is required, the combined company will report such information to the IRS as may be required with respect to any income attributable to transactions involving awards.

Any dividends paid on restricted shares granted under the Magellan 2016 Plan prior to the lapse of restrictions will be taxable as additional compensation income to the recipient in the year received, and subject to withholding.

New Plan Benefits

All awards granted under the Magellan 2016 Plan are subject to the discretion of the CNG Committee or the board of directors of the combined company, as appropriate. Except for 800,000 shares of Magellan restricted stock expected to be issued to Mr. Lafargue upon the closing of the merger, the total benefits that will be received by any particular person or group under the Magellan 2016 Plan are not determinable at this time. To date, no awards have been made under the Magellan 2016 Plan. The grant of restricted stock to Mr. Lafargue set forth in the table below is contemplated contingent upon stockholder approval of the plan proposal.

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New Plan Benefits Table

	Dollar Value (1)	Number of Restricted Stock
Antoine J. Lafargue, President, Chief Executive Officer, Chief Financial Officer, Treasurer and Corporate Secretary	$4,200,000	$ 800,000

(1) The dollar value of the award is calculated based on an assumed $5.25 per share price of Magellan's common stock as reported by the NASDAQ Capital Market on September 29, 2016. The actual value would be determined based on the fair market value of Magellan common stock on the grant date.

Vote Required for Approval

Approval of the plan proposal, including the material terms under which the remuneration is to be paid and the performance goals (including the business criteria on which any qualified performance goals are based), will require the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on the matter, provided that a quorum exists.

For the plan proposal, abstentions will be counted towards the vote total and will have the same effect as a vote "AGAINST" the proposal, but broker non-votes (which are not "entitled to vote" on the matter) will not be counted and will have no effect.

Board Recommendation

The Magellan board of directors unanimously recommends that Magellan stockholders vote "FOR" the proposal to approve the Magellan 2016 Plan, and a vote "FOR" approval of the Magellan 2016 Plan shall in fact include approval of the material terms of the performance goals of the Magellan 2016 Plan.

Magellan Proposal 3: Advisory (Non-Binding) Vote on Golden Parachute Compensation

Under Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, Magellan is required to submit a proposal to its stockholders for a non-binding, advisory vote to approve certain compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger. This proposal gives Magellan stockholders the opportunity to vote, on a non-binding advisory basis, on the compensation that may be paid or become payable to Magellan's named executive officers in connection with the merger. This compensation is summarized in the table on page 58 in the section entitled "The Merger-Interests of Magellan Directors and Executive Officers in the Merger-Golden Parachute Compensation Table," and in the footnotes to the table.

The Magellan board or directors encourages you to review carefully the named executive officer merger-related compensation information disclosed in this joint proxy statement/prospectus. The Magellan board or directors unanimously recommends that Magellan stockholders approve, by advisory vote, the compensation that may become payable to Magellan's named executive officers in connection with the completion of the merger.

The vote on the compensation proposal is a vote separate and apart from the vote on the merger proposal. Accordingly, you may vote to approve and adopt the merger proposal and vote not to approve the compensation proposal, and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either Magellan or Tellurian Investments. Accordingly, if the merger agreement is approved and adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the compensation proposal.

Approval of the compensation proposal requires the affirmative vote of holders of a majority of the shares of Magellan common stock present in person or represented by proxy at the Magellan special meeting and entitled to vote on the proposal, assuming that a quorum is present.

If you fail to submit a proxy or fail to instruct your broker to vote, it will have no effect on the compensation proposal, assuming that a quorum is present. If you mark your proxy or voting instructions to abstain, it will have will have the same effect as a vote "AGAINST" the compensation proposal, assuming that a quorum is present.

The Magellan board of directors unanimously recommends that Magellan stockholders vote “FOR” the proposal to approve, on a non-binding advisory basis, the compensation that may become payable to Magellan’s named executive officers in connection with the completion of the merger.

Magellan Proposal 4: Possible Adjournment of the Magellan Special Meeting

If Magellan fails to receive a sufficient number of votes to approve Magellan Proposal 1, 2 or 3, Magellan may propose to adjourn the Magellan special meeting, even if a quorum is present, for the purpose of soliciting additional proxies to approve Magellan Proposal 1, 2 or 3. Magellan currently does not intend to propose adjournment of the Magellan special meeting if there are sufficient votes to approve Magellan Proposals 1, 2 and 3.

The proposal to adjourn the Magellan special meeting, if necessary or appropriate to solicit additional proxies, requires the affirmative vote of holders of a majority of the shares of Magellan common stock, present in person or represented by proxy at the Magellan special meeting and entitled to vote on the proposal, regardless of whether there is a quorum.

The Magellan board of directors unanimously recommends that Magellan stockholders vote “FOR” the proposal to adjourn the Magellan special meeting, if necessary or appropriate, to solicit additional proxies.

PROPOSAL FOR THE TELLURIAN INVESTMENTS SPECIAL MEETING

Tellurian Investments Proposal 1: Approval of Merger Agreement

For a summary and detailed information regarding this proposal, see the information about the merger contained throughout this joint proxy statement/prospectus, including the information set forth in the sections entitled "The Merger" beginning on page 47.

A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

Under the merger agreement, approval of this proposal is a condition to the completion of the merger. If the proposal is not approved, the transactions will not be completed even if the other proposals related to the transactions are approved.

Approval of Tellurian Investments Proposal 1 requires the affirmative vote of holders of a majority of the outstanding shares of Tellurian Investments common stock entitled to vote thereon.

The Tellurian Investments board of directors has approved the merger and the merger agreement and recommends that Tellurian Investments stockholders vote "FOR" the proposal to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the U.S. federal income tax consequences of the merger to “U.S. holders” (as defined below) of Tellurian Investments common stock who exchange their shares of Tellurian Investments common stock for shares of Magellan common stock in the merger. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings and decisions, all as in effect as of the date of this joint proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of Tellurian Investments common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodities or foreign currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks and certain other financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Code, partnerships, S corporations or other pass-through entities or investors in partnerships, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, former citizens or residents of the United States, U.S. expatriates, holders whose functional currency is not the U.S. dollar, holders who hold shares of Tellurian Investments common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment, holders who acquired Tellurian Investments common stock pursuant to the exercise of employee stock options, through a tax qualified retirement plan or otherwise as compensation, holders who exercise appraisal rights, or holders who actually or constructively own more than 5% of Tellurian Investments common stock).

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of Tellurian Investments common stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Tellurian Investments common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Tellurian Investments common stock, and any partners in such partnership, should consult their own independent tax advisors regarding the tax consequences of the merger and the special cash dividend to their specific circumstances.

The parties intend for the merger to be treated as a “reorganization” within the meaning of Section 368(a) of the Code and/or an exchange under Section 351 of the Code for U.S. federal income tax purposes. Assuming that the merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code and/or an exchange under Section 351 of the Code, upon the exchange of Tellurian Investments common stock for Magellan common stock, the U.S. federal income tax consequences will be as follows:

Upon exchanging your Tellurian Investments common stock for Magellan common stock, you generally will not recognize gain or loss. The aggregate tax basis of the Magellan common stock that you receive in the merger (including any fractional shares received) will equal your aggregate adjusted tax basis in the shares of Tellurian Investments common stock you surrender in the merger. Your holding period for the shares of Magellan common stock that you receive in the merger (including any fractional share received) will include your holding period for the shares of Tellurian Investments common stock that you surrender in the merger. If you acquired different blocks of

Tellurian Investments common stock at different times or at different prices, the Magellan common stock you receive will be allocated pro rata to each block of Tellurian Investments common stock, and the basis and holding period of each block of Magellan common stock you receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Tellurian Investments common stock exchanged for such Magellan common stock.

Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult your own independent tax advisor as to the specific tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.

ACCOUNTING TREATMENT

Each of Magellan and Tellurian Investments prepares its financial statements in accordance with generally accepted accounting principles in the United States. The merger will be accounted for using the acquisition method of accounting with Tellurian Investments being considered the acquirer of Magellan for accounting purposes. This means that Tellurian Investments will allocate the purchase price to the fair value of Magellan's tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND EXECUTIVE MANAGEMENT OF MAGELLAN

Security Ownership of Management

The following table sets forth the number of shares of Magellan common stock owned beneficially as of September 29, 2016 (unless another date is specified by footnote below), by each director of Magellan and each named executive officer of Magellan, and by all current directors and current executive officers of Magellan as a group:

	Amount and Nature of Beneficial Ownership *		
Name of Individual or Group (1)	Shares	Options	Percent of Class (2)
Brendan S. MacMillan, Director (3)	377,559	—	6.4%
Ronald P. Pettirossi, Director (4)	65,259	3,125	1.2%
J. Robinson West, Director (5)	75,922	31,250	1.8%
Antoine J. Lafargue, President, Chief Executive Officer, Chief Financial Officer, Treasurer and Corporate Secretary (6)	78,051	259,373	5.5%
J. Thomas Wilson, Former President, Chief Executive Officer and Director (7)	74,144	308,591	6.2%
Directors and Executive Officers as a Group (a total of 4 persons)	596,791	293,748	14.4%

* Unless otherwise indicated, each person listed has the sole power to vote and dispose of the shares listed. Pursuant to SEC Rule 13d-3 under the Exchange Act, 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 of September 29, 2016, including through the exercise of any option, warrant, or right. For each individual or entity that holds options, warrants or rights to acquire shares, the shares of Magellan common stock underlying those securities are treated as owned by that holder and as outstanding shares when that holder's percentage ownership of Magellan common stock is calculated. That Magellan common stock is not treated as outstanding when the percentage ownership of any other holder is calculated.

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

(1) Except as otherwise indicated below, the address and telephone number of each of these persons is c/o Magellan Petroleum Corporation, 1775 Sherman Street, Suite 1950, Denver, Colorado 80203 and (720) 484-2400, respectively.

(2) Based on a total of 5,879,610 shares of Magellan common stock outstanding as of September 29, 2016.

(3) Includes 262 shares held by Mr. MacMillan's spouse and a total of 9,393 shares held by Mr. MacMillan as UTMA custodian for his daughters.

(4) Mr. Pettirossi holds 65,259 shares of Magellan common stock and holds vested options to acquire a total of 3,125 shares of Magellan common stock.
(5) Mr. West holds 75,922 shares of Magellan common stock and holds vested options to acquire a total of 31,250 shares of Magellan common stock.
(6) Mr. Lafargue holds 78,051 shares of Magellan common stock and holds options to acquire a total of 259,373 shares of Magellan common stock, consisting of 100,000 time-based options, 107,811 performance-based options, and 51,562 market-based options. Under SEC rules, Mr. Lafargue is deemed to be the beneficial owner of the shares of Magellan common stock underlying all of the 100,000 time-based options, 50,780 of the performance-based options, and none of the market-based options.
(8) Mr. Wilson holds 74,144 shares of Magellan common stock and holds options to acquire a total of 308,591 shares of Magellan common stock, consisting of 50,781 time-based options, 145,312 performance-based options, and 112,498 market-based options. Mr. Wilson ceased serving as Magellan's President and Chief Executive Officer and as a member of the Magellan board of directors on August 5, 2016. The address of Mr. Wilson is 700 East Ninth Avenue, Suite 200, Denver, Colorado 80203.

Other Security Holders

The following table sets forth information (as of the date indicated) as to all persons or groups known to Magellan to be beneficial owners of more than 5% of Magellan's issued and outstanding common stock as of September 29, 2016:

Name and Address of Beneficial Holder	Shares Beneficially Owned		Percent of Class
Hammer Wealth Group, Inc. 68 South Service Road, Suite 100 Melville, New York 11747	536,692	(1)	9.2%
Brendan S. MacMillan 150A Manchester Street San Francisco, California 94110	377,559	(2)	6.4%

(1) On February 11, 2016, Hammer Wealth Group, Inc. filed a Schedule 13G/A with the SEC indicating that it was a registered investment advisor, and as of July 15, 2014, had beneficial ownership of 536,692 shares of Magellan common stock, representing beneficial ownership of 9.1% of Magellan's issued and outstanding common stock as of September 29, 2016.
(2) This information is based in part on a Form 4 filed by Mr. MacMillan with the SEC on August 15, 2016.

On February 10, 2014, William H. Hastings filed a Schedule 13G/A with the SEC indicating that Mr. Hastings was the beneficial owner of 6.4% of Magellan's issued and outstanding common stock. On October 17, 2014, Magellan purchased options held by Mr. Hastings to purchase 189,062 shares of Magellan common stock and 31,250 shares of Magellan common stock held in an individual retirement account for the benefit of Mr. Hastings. As a result of this transaction, Magellan believes that, as of September 29, 2016, Mr. Hastings is no longer a beneficial owner of more than 5% of Magellan's issued and outstanding common stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND EXECUTIVE MANAGEMENT OF TELLURIAN INVESTMENTS

Security Ownership of Management

The following table sets forth the number of shares of Tellurian Investments common stock owned beneficially as of September 29, 2016 (unless another date is specified by footnote below), by each director of Tellurian Investments and each executive officer of Tellurian Investments listed in the Summary Compensation Table contained herein, and by all current directors and current executive officers of Tellurian Investments as a group:

Name of Individual or Group	Amount and Nature of Beneficial Ownership * Shares	Options	Percent of Class (1)
Charif Souki	22,211,667	—	21.0%
Martin Houston	18,573,333	—	17.5%
Meg A. Gentle	9,000,000	—	8.5%
R. Keith Teague	2,000,000	—	1.9%
Howard Candelet	1,800,000	—	1.7%
Tarek Souki	1,755,000	—	1.7%
Mark Evans	1,200,000	—	1.1%
Christopher Daniels	1,125,000	—	1.1%
Michael Bock	540,000	—	**
Brooke Peterson	410,000	—	**
Directors and Executive Officers as a Group (a total of 10 persons)	58,615,000	—	55.4%

* Unless otherwise indicated, each person listed has the sole power to vote and dispose of the shares listed. Pursuant to SEC Rule 13d-3 under the Exchange Act, 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 of September 29, 2016, including through the exercise of any option, warrant, or right. For each individual or entity that holds options, warrants or rights to acquire shares, the shares of Tellurian Investments common stock underlying those securities are treated as owned by that holder and as outstanding shares when that holder's percentage ownership of Tellurian Investments common stock is calculated. That Tellurian Investments common stock is not treated as outstanding when the percentage ownership of any other holder is calculated.

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

(1) Based on a total of 123,631,000 shares of Tellurian Investments common stock outstanding as of September 29, 2016.

(2) Mr. Teague will be granted 2,500,000 restricted shares of Tellurian Investments common stock upon commencement of his employment on October 10, 2016.

Other Security Holders

The following table sets forth information (as of the date indicated) as to all persons or groups known to Tellurian Investments to be beneficial owners of more than 5% of Tellurian Investments' issued and outstanding common stock as of September 29, 2016:

Name and Address of Beneficial Holder	Shares Beneficially Owned	Percent of Class
Charif Souki 1201 Louisiana, Suite 3100 Houston, Texas 77002	22,211,667	21.0%
Souki Family Trust P.O. Box 4068 Aspen, Colorado 81612	20,000,000	18.9%
Martin Houston 1201 Louisiana, Suite 3100 Houston, Texas 77002	18,573,333	17.5%
Meg A. Gentle 1201 Louisiana, Suite 3100 Houston, Texas 77002	9,000,000	8.5%
Karim Souki Saifi Homes Building 8th Floor Beirut, Lebanon	7,500,000	7.1%

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PRO FORMA BENEFICIAL OWNERSHIP OF MAGELLAN UPON COMPLETION OF THE MERGER

The following table contains information about the beneficial ownership of the Magellan common stock upon consummation of the merger by:

- each person or group who is known to the management of Magellan and Tellurian Investments to become the beneficial owner of more than 5% of the outstanding shares of common stock of the combined company upon consummation of the merger;
- each person expected to be a director or executive officer of the combined company; and
- all directors and executive officers of the combined company as a group.

	Pro Forma for the Merger		
Name of Individual or Group (1)	Shares	Options	Percent of Class (2)
Charif Souki (3)	28,875,167	—	20.7%
Souki Family Trust (4)	26,000,000	—	18.7%
Martin Houston (5)	24,145,333	—	17.4%
Meg A. Gentle (6)	11,700,000	—	8.4%
Karim Souki (7)	9,750,000	—	7.0%
R. Keith Teague (8)	5,850,000	—	4.2%
Howard Candelet (9)	2,340,000	—	1.7%
Tarek Souki (10)	2,281,500	—	1.6%
Mark Evans (11)	1,560,000	—	1.1%
Christopher Daniels (12)	1,462,500	—	1.1%
Antoine J. Lafargue (13)	815,551	—	**
Michael Bock (14)	702,000	—	**
Brooke Peterson (15)	533,000	—	**
Directors and Executive Officers as a Group (a total of 10 persons)	106,265,051	—	76.4%

* Unless otherwise indicated, each person listed has the sole power to vote and dispose of the shares listed. Pursuant to SEC Rule 13d-3 under the Exchange Act, 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 of September 29, 2016, including through the exercise of any option, warrant, or right. For each individual or entity that holds options, warrants or rights to acquire shares, the shares of Magellan common stock underlying those securities are treated as owned by that holder and as outstanding shares when that holder's percentage ownership of Magellan common stock is calculated. That Magellan common stock is not treated as outstanding when the percentage ownership of any other holder is calculated.

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

(1) Except as otherwise indicated below, the address and telephone number of each beneficial owner is c/o Tellurian Investments Inc., 1201 Louisiana Street, Suite 3100, Houston, Texas 77002 and (832) 962-4000, respectively.

(2) Upon consummation of the merger, approximately 132,770,300 shares of Magellan common stock will be issued to Tellurian Investments stockholders, approximately 409,800 shares of Magellan common stock will be issued to Magellan's financial advisor, and 100,000 shares of Magellan common stock will be issued to members of Magellan board of directors, pursuant to the terms of the merger agreement. Pro forma for the merger, Magellan will have approximately 139,159,710 issued and outstanding shares of common stock.

(3) Mr. Souki is the Chairman of the Tellurian Investments board of directors and following the merger will be the Chairman of the Magellan board of directors.

(4) Charif Souki is the trustee of the Souki Family 2016 Trust, but its voting rights are controlled by certain beneficiaries of the trust, all of whom are members of the Souki family.

(5) Mr. Houston is the Executive Vice Chairman of Tellurian Investments and following the merger will be the Executive Vice Chairman of Magellan.

(6) Ms. Gentle is the President and Chief Executive Officer of Tellurian Investments and following the merger will be the President and Chief Executive Officer of Magellan. Her share count includes 3,250,000 shares of restricted common stock that do not vest until FID.
(7) Karim Souki is the brother of Charif Souki.
(8) Mr. Teague is the Executive Vice President and Chief Operating Officer of Tellurian Investments and following the merger will be the Executive Vice President and Chief Operating Officer of Magellan. His share count includes 3,250,000 shares of restricted common stock that do not vest until FID.
(9) Mr. Candelet is the Senior Vice President - Projects of Tellurian Investments and following the merger will be the Senior Vice President - Projects of Magellan. His share count includes 650,000 shares of restricted common stock that do not vest until FID.
(10) Mr. T. Souki is the Senior Vice President - LNG Trading of Tellurian Investments and following the merger will be the Senior Vice President - LNG Trading of Magellan. His share count includes 650,000 shares of restricted common stock that do not vest until FID.
(11) Mr. Evans is the Senior Vice President - Gas Supply of Tellurian Investments and following the merger will be the Senior Vice President - Gas Supply of Magellan. His share count includes 650,000 shares of restricted common stock that do not vest until FID. His share count also includes 910,000 shares held by MRE Ventures 1, LLC, an entity controlled by Mr. Evans.
(12) Mr. Daniels is the General Counsel and Corporate Secretary of Tellurian Investments and following the merger will be the General Counsel and Corporate Secretary of Magellan. His share count includes 650,000 shares of restricted common stock that do not vest until FID.
(13) Mr. Lafargue is currently the President, Chief Executive Officer, Chief Financial Officer, Treasurer and Corporate Secretary of Magellan and following the merger will be the Senior Vice President and Chief Financial Officer of Magellan. In connection with his employment, Mr. Lafargue will receive, among other things, a signing bonus of $990,000 on the day the merger closes, 800,000 shares of Magellan stock, of which 150,000 will vest in equal quarterly installments over an 18-month period and 650,000 will vest upon FID. The signing bonus and the issuance of the shares of Magellan common stock are contingent upon Mr. Lafargue’s execution of a waiver with respect to his current employment contract and the rights and obligations thereunder. In connection with such waiver, it is expected that 62,500 shares of Magellan restricted stock currently held by Mr. Lafargue will be terminated. Mr. Lafargue’s address is c/o Magellan Petroleum Corporation, 1775 Sherman Street, Suite 1950, Denver, Colorado 80203.
(14) Mr. Bock is a member of the Tellurian Investments board of directors and following the merger will be a member of the Magellan board of directors.
(15) Mr. Peterson is a member of the Tellurian Investments board of directors and following the merger will be a member of the Magellan board of directors.

MARKET PRICE, DIVIDEND AND OTHER INFORMATION

Stock Prices

Magellan common stock is currently traded on the NASDAQ Capital Market under the symbol “MPET.” The following table presents the quarterly high and low intraday prices during the periods indicated, as adjusted for the one-for-eight reverse stock split approved by stockholders and completed on July 10, 2015. These sales reflect prices between dealers and do not include retail markups, markdowns or commissions.

Quarter Ended	Sales Price High	Low
September 30, 2016 (through September 29, 2016)	$7.17]	$1.11]
June 30, 2016	$1.41	$0.80
March 31, 2016	$1.49	$0.20
December 31, 2015	$0.83	$0.48
September 30, 2015	$3.60	$0.53
June 30, 2015	$5.44	$2.00
March 31, 2015	$7.44	$4.08
December 31, 2014	$17.36	$6.24
September 30, 2014	$18.64	$13.36

There has never been a public market for the Tellurian Investments common stock.

Number of Stockholders

Based on information received from Magellan's stock transfer agent, the number of record holders of Magellan common stock was approximately 482 as of September 27, 2016, and the number of beneficial owners was approximately 5,590 as of May 28, 2016. As of September 29, 2016, there were 90 holders of Tellurian Investments common stock.

Dividends

Magellan has never paid a cash dividend on its common stock. The merger agreement prohibits Magellan from paying dividends to holders of Magellan common stock until the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms. Any future dividends on Magellan common stock will be at the discretion of the reconstituted board of directors and will be dependent upon Magellan's earnings, financial condition and other factors. The reconstituted board of directors has no plans to pay any dividends in the foreseeable future but rather will retain earnings of Magellan, if any, to develop LNG plants.

The declaration and payment of future dividends to holders of Tellurian Investments common stock will be at the sole discretion of Tellurian Investments' board of directors and will depend on many factors, including Tellurian Investments' actual results of operations, financial condition, capital requirements, contractual restrictions, and other factors deemed relevant by the board of directors. Tellurian Investments does not currently contemplate making dividend payments on Tellurian Investments common stock in the near future.

Reverse Stock Split

On July 10, 2015, Magellan filed an amendment to its certificate of incorporation to effect a 1-for-8 reverse stock split of its common stock, effective July 10, 2015. All share and per share amounts relating to the common stock, stock options to purchase common stock, and the respective exercise prices of each such option included within this joint proxy statement/prospectus have been retroactively adjusted to reflect the reduced number of shares resulting from this action. Market conditions tied to stock price targets contained within market-based options were similarly adjusted. The par value and the number of authorized, but unissued, shares remain unchanged following the reverse stock split. No fractional shares were issued following the reverse stock split and Magellan has paid cash in lieu of any fractional shares resulting from the reverse stock split.

Transfer Agent and Registrar

Magellan's present transfer agent is Broadridge Corporate Issuer Solutions, Inc.

COMPARISON OF RIGHTS OF MAGELLAN STOCKHOLDERS AND TELLURIAN INVESTMENTS STOCKHOLDERS

The rights of Tellurian Investments stockholders are currently governed by Delaware law, Tellurian Investments' certificate of incorporation, and Tellurian Investments' bylaws. The rights of Magellan stockholders are governed by Delaware law, Magellan's restated certificate of incorporation, and Magellan's bylaws. When the merger is completed, Tellurian Investments stockholders will become stockholders of Magellan. As a result, the rights and obligations of the former Tellurian Investments stockholders will be governed by Delaware law, Magellan's restated certificate of incorporation, and Magellan's bylaws.

The following description summarizes the rights of Magellan stockholders and Tellurian Investments stockholders but does not purport to be a complete statement of all such rights or a complete description of the specific provisions referred to in this summary. There are some differences between Magellan's restated certificate of incorporation and bylaws, and Tellurian Investments' certificate of incorporation and bylaws. We have summarized what management believes are the material differences below. However, this is only a summary of some provisions and does not purport to be a complete description of the similarities and differences. We further invite you to read the provisions of the restated certificate of incorporation and bylaws of Magellan and the certificate of incorporation and bylaws of Tellurian Investments. Copies of the Magellan restated certificate of incorporation and bylaws may be obtained as described under "Where You Can Find More Information." Copies of the Tellurian Investments certificate of incorporation and bylaws will be provided to Tellurian Investments stockholders upon request. For a summary of a number of other rights relating to Magellan common stock, see the description of Magellan common stock contained in Magellan's registration statement on Form S-3 filed with the SEC on November 17, 2014, including any subsequently filed amendments and reports filed for the purpose of updating such description.

	Magellan	Tellurian Investments
Authorized Capital Stock	Magellan has authority to issue 300,000,000 shares of common stock, par value $0.01 per share, of which 250,000,000 are designated common stock and 50,000,000 are designated preferred stock. As of the close of business on September 29, 2016, Magellan had 5,879,610 shares of common stock and no shares of preferred stock issued and outstanding. Magellan currently expects to issue (i) up to approximately 160,720,300 shares of Magellan common stock to Tellurian Investments stockholders pursuant to the merger agreement, assuming a maximum of 123,631,000 shares of Tellurian Investments common stock that will be exchanged, based on the exchange ratio provided for in the merger agreement (ii) 409,800 shares of Magellan common stock to its financial advisor at the closing of the transactions contemplated by the merger agreement in accordance that certain engagement letter, dated as of June 29, 2015, by and between Magellan and Petrie Partners, LLC, an affiliate of Petrie, which engagement letter was amended in certain respects as of March 14, 2016, and assigned to Petrie and (iii) 100,000 shares of Magellan common stock to members of Magellan's board of directors, as part of their resignation under the terms of the merger agreement.	Tellurian Investments has authority to issue 200,000,000 shares of common stock, par value of $0.001 per share. No shares of preferred stock are authorized. As of the close of business on September 29, 2016, Tellurian Investments had 105,836,000 shares of common stock and no shares of preferred stock issued and outstanding.
Voting Rights	Each holder of Magellan common stock will has one vote for each share of Magellan common stock held by such holder on all matters voted upon by the stockholders of Magellan.	Each holder of Tellurian Investments common stock will have one vote for each share of Tellurian Investments common stock held by such holder on all matters voted upon by the stockholders of Tellurian Investments.

	Magellan	Tellurian Investments
Dividends	Magellan's bylaws provide that before any payment of any dividend or making any distribution of profits is made, the Magellan board of directors may set aside out of the surplus or net profits of Magellan such sum or sums as the Magellan board of directors, in its absolute discretion, may deem proper as a reserve fund for depreciation, renewal, repair and maintenance or for such other purposes as the directors shall think conducive to the interests of Magellan. When the directors shall so determine, dividends may be paid in Magellan stock, provided that the stock requisite for such purpose shall be authorized and provided. If such stock has not theretofore been issued, there shall be transferred from surplus to the capital of Magellan an amount at least equal to the minimum amount for which such stock could be lawfully issued.	Tellurian Investments' bylaws provide that the Tellurian Investments board of directors may from time to time declare dividends on its outstanding shares, subject to applicable law and Tellurian Investments' certificate of incorporation. Under Delaware law, the directors of a corporation may declare and pay dividends upon the shares of its capital stock either out of its surplus or, if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.
Number and Qualification of Directors	Magellan's bylaws provide that the Magellan board of directors shall consist of not less than three members nor more than eight members, with the exact number of members within such range to be fixed from time to time by resolution of the board of directors adopted by a vote of not less than the majority of directors then in office. Under Delaware law, directors need not be stockholders of Magellan or residents of Delaware.	Tellurian Investments' bylaws provide that the number of directors at any one time is set by resolution of the majority of the total number of directors, but shall consist of not less than one (1) member. Tellurian Investments currently has five directors. Under Delaware law, directors need not be stockholders of Tellurian Investments or residents of Delaware.
Election of Directors	Under Delaware law, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.	Tellurian Investments' bylaws provide that directors are elected by a majority of the votes cast at any meeting for the election of directors at which a quorum is present. In the election of directors, votes may not be cumulated.
Removal of Directors	Magellan's bylaws provide that any director, or the entire board of directors, may be removed from office at any time, but only for cause and only by affirmative vote of at least a majority of the votes cast at a stockholders' meeting called to consider such removal.	Tellurian Investments' bylaws provide that any director, or the entire Tellurian Investments board of directors, may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.
Vacancies on the Board of Directors	Magellan's bylaws provide that newly created directorships resulting from an increase in the authorized number of directors or any vacancies in the board of directors resulting	Tellurian Investments' bylaws provide that subject to Tellurian Investments' certificate of incorporation and applicable law, any vacancy occurring in the board of directors created on account of death, resignation,

from death, resignation, retirement, disqualification, removal from office or other cause shall only be filled by or in the manner directed by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which they have been elected expires.	disqualification, removal or other causes, or resulting from an increase in the authorized number of directors, may be filled by election by the stockholders or by a vote of the majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and the directors so chosen will hold office for the remainder of the full term of such directorship and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

	Magellan	Tellurian Investments
Action by Written Consent	Under Delaware law, unless otherwise provided in the certificate of incorporation, any action that could be taken at a stockholder meeting may be taken without a meeting upon the written consent of the holders of the outstanding stock having at least the minimum number of votes that would have been necessary to authorize the action at a meeting at which all shares entitled to vote were present and voted. Magellan's restated certificate of incorporation does not prohibit or limit stockholders' rights to act by written consent. Under Delaware law, unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without a meeting if all members of the board or committee consent thereto in writing. Magellan's restated certificate of incorporation does not prohibit or limit the board's right to act by written consent.	Any action that might have been taken at a meeting of stockholders by a vote of the stockholders may be taken with written consent of stockholders owning (and by such written consent, voting) in the aggregate not less than the minimum percentage of the total number of shares that are required to be voted with respect to such proposed corporate action. Any action that might have been taken at a meeting of the board of directors or a committee thereof may be taken with written consent of all of the directors or committee members, as applicable.

	Magellan	Tellurian Investments
Advance Notice Requirements for Stockholder Nominations and Other Proposals	Special meetings of the Magellan stockholders, other than those required by statute, may be called by a majority of the entire board of directors, chairman of the board or president. Magellan's bylaws provide that a stockholder proposal (for either a nomination of a person to the Magellan board of directors or for the submission of business) must be made pursuant to timely notice in writing to Magellan's Corporate Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at Magellan's principal executive offices not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder, to be timely, must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such notice with respect to any business other than board nominations must set forth (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (ii) the name and address, as they appear on Magellan's books, of the stockholder intending to propose such business; (iii) the class and number of shares of Magellan which are beneficially owned by the stockholder, (iv) a representation that the stockholder is a holder of record of capital stock of Magellan entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such business; and (v) any material interest of the stockholder in such business. Such notice with respect to nominations of directors must set forth as to the stockholder giving the notice (i) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (ii) a representation that the stockholder is a holder of record of stock of Magellan entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the	Except as described in the next sentence, special meetings of the Tellurian Investments stockholders may be called by Tellurian Investments' board of directors, chairman of the board or president. Special meetings of Tellurian Investments stockholders may also be called upon the request of Tellurian Investments stockholders holding at least thirty percent (30%) in voting power of Tellurian Investments stock issued and outstanding and entitled to vote on the matters for which that special meeting is called. Any request for a special meeting by stockholders must be in writing and state the time of such meeting and the general nature of the proposed business to be conducted at the special meeting.

stockholder; and (iv) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated, or intended to be nominated, by the board of directors.

	Magellan	Tellurian Investments
Amendments to Certificate of Incorporation	Magellan may amend its restated certificate of incorporation in any manner provided by law. Pursuant to Section 242 of the DGCL, the Magellan board of directors must adopt a resolution setting forth a proposed amendment to Magellan's restated certificate of incorporation. The proposed amendment must be approved by the vote of the Magellan stockholders at any special meeting or at the next annual meeting. The amendment must be approved by holders of a majority of the outstanding Magellan stock entitled to vote on the amendment.	Tellurian Investments may amend its certificate of incorporation in any manner provided by law. Pursuant to Section 242 of the DGCL, the Tellurian Investments board of directors must adopt a resolution setting forth a proposed amendment to Tellurian Investments' certificate of incorporation. The proposed amendment must be approved by the vote of the Tellurian Investments stockholders at any special meeting or at the next annual meeting. The amendment must be approved by holders of a majority of the outstanding Tellurian Investments stock entitled to vote on the amendment.
Amendments to Bylaws	The bylaws may be altered, amended or repealed by the vote of a majority of the Magellan board of directors at any regular or special meeting of the Magellan board of directors, provided that the notice of such proposed alteration, amendment, or repeal is included in the notice of such meeting, or is waived in writing by all of the directors, or at any regular or special meeting of the board at which all of the directors are present, without such notice or waiver of notice. Magellan stockholders may alter, amend, or repeal the bylaws at any regular or special meeting called for that purpose by the favorable vote of 66 % of the voting power of all outstanding voting stock of Magellan generally entitled to vote at such meeting.	The bylaws may be adopted, altered, amended or repealed by the Tellurian Investments board of directors at any meeting of the Tellurian Investments board of directors, provided that the notice of the meeting states the substance of the proposed amendment; provided, however, that no such adoption, amendment or repeal shall be valid with respect to bylaw provisions which have been adopted, amended, or repealed by the stockholders. The stockholders will also have power to adopt, alter, amend or repeal the bylaws. The affirmative vote of the holders of a majority of the voting power of the shares present at a meeting and entitled to vote to adopt, alter, amend or repeal the bylaws is required for the Tellurian Investments stockholders to approve such an adoption, alteration, amendment or repeal.
Quorum	Magellan's bylaws provide that the holders for the time being of 33 % of the total number of shares of stock issued and outstanding and entitled to be voted at any meeting, present in person or by proxy, will constitute a quorum for the transaction of business at a meeting of stockholders.	Tellurian Investments' bylaws provide that the holders of a majority of the voting power of Tellurian Investments' outstanding shares entitled to vote generally at a meeting of stockholders, represented in person or by proxy, will constitute a quorum at a meeting of stockholders.
Limitation of Personal Liability of Directors	No director will be personally liable to Magellan or any of its stockholders for monetary damages for breach of fiduciary duties as a director, except to the extent such exemption from liability or limitation thereof is not permitted by Delaware law as the same exists or may be amended in the future, and except for liability (i) for	Tellurian Investments' certificate of incorporation provides that no director or officer will be personally liable to Tellurian Investments or any other person who has interest in Tellurian Investments for losses incurred by reason of any act or omission performed or omitted by such director or officer in good faith on behalf of Tellurian Investments, in a manner reasonably believed to be in the best interest of Tellurian Investments and in a manner reasonably

any breach of the director's duty of loyalty to Magellan or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.	believed to be within the scope of the authority conferred on such director of officer by Tellurian Investments or Delaware law, except for losses (i) incurred by reason of such director's or officer's willful misconduct (ii) any breach of the director's or officer's duty of loyalty to Tellurian Investments or its stockholders, (iii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iv) for any transaction from which the director or officer derived an improper personal benefit.

	Magellan	Tellurian Investments
Indemnification of Directors and Officers	Magellan's restated certificate of incorporation and bylaws provide that Magellan shall enter into appropriate agreements with its directors and officers to both indemnify such directors and officers and advance funds for litigation expenses to the fullest extent permitted by Delaware law, as may be amended from time to time. In furtherance of these provisions, Magellan has entered into written agreements with each of its directors and officers to indemnify and advance expenses to those individuals to the fullest extent permitted by Delaware law.	Tellurian Investments' certificate of incorporation provides that to the fullest extent permitted by applicable law, a director or officer shall be indemnified for any loss incurred by such person by reason of any act or omission performed or omitted by such person in good faith on behalf of Tellurian Investments and in a manner reasonably believed to be within the scope of the authority conferred on such person, but not indemnified in respect of any loss incurred by such person by reason of (i) such person's willful misconduct with respect to such acts or omissions, (ii) such person's breach of his duty of loyalty to Tellurian Investments or its stockholders, (iii) such person's acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, or (iv) any transaction from which such person derived an improper personal benefit. Any such indemnity shall be funded out of and to the extent of Tellurian Investments' assets only (including any applicable insurance proceeds). In a manner determined appropriate by the board of directors, Tellurian Investments shall advance Costs incurred by or on behalf of a director or officer in connection with any loss even before a final determination is made as to whether the director or officer is entitled to indemnification. Tellurian Investments may enter into agreements with its directors or officers to provide for indemnification consistent with the terms and conditions in Tellurian Investments' certificate of incorporation. Tellurian Investments may purchase and maintain director and officer liability insurance at appropriate levels of coverage as determined by the board of directors. Tellurian Investments may additionally indemnify any employee or agent of Tellurian Investments to the fullest extent permitted by law.
Certain Business Combination Restrictions	Pursuant to the merger agreement, Tellurian Investments represented that neither Tellurian Investments nor any affiliate or associate thereof is, or was or became at any time during the last three years, an "interested stockholder" of Magellan for purposes of Section 203 of the DGCL.	Tellurian Investments' certificate of incorporation provides that Tellurian Investments has expressly elected not to be governed by Section 203 of the DGCL.

APPRAISAL RIGHTS

The holders of Magellan common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

The holders of Tellurian Investments common stock are entitled to appraisal rights in connection with the merger under Delaware law. Tellurian Investments common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Magellan stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law. See "The Merger-Appraisal Rights" beginning on page 66.

Legal Matters

The validity of the shares of Magellan common stock to be issued pursuant to the merger will be passed upon by Davis Graham & Stubbs LLP. The material U.S. federal income tax consequences relating to the merger will be passed upon for Magellan by Davis Graham & Stubbs LLP and for Tellurian Investments by Gray Reed & McGraw, P.C.

Experts

Magellan

The consolidated financial statements of Magellan as of June 30, 2016 and 2015, and for the fiscal years ended June 30, 2016 and 2015 have been audited by EKS&H LLLP, an independent registered public accounting firm, and are incorporated herein by reference in reliance on its report dated September 13, 2016, and upon the authority of such firm as experts in accounting and auditing.

Certain information with respect to the oil and natural gas reserves of Magellan incorporated herein by reference to Magellan's Annual Report on Form 10-K for the fiscal year ended June 30, 2015 is based on the reserve estimates audited by Magellan's independent petroleum engineering firm, Allen & Crouch Petroleum Engineers Inc. Such information is incorporated herein by reference in reliance upon the authority of such firm as an expert in petroleum engineering.

Tellurian Services

The financial statements of Tellurian Services LLC as of April 9, 2016, December 31, 2015 and 2014 and for the period from January 1, 2016 to April 9, 2016 and for the years ended December 31, 2015 and 2014, included in this Joint Proxy Statement/Prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

OTHER MATTERS PRESENTED AT THE MEETINGS

As of the date of this joint proxy statement/prospectus, neither the Magellan board of directors nor the Tellurian Investments board of directors knows of any matters that will be presented for consideration at either the Magellan special meeting or the Tellurian Investments special meeting, respectively, other than as described in this joint proxy statement/prospectus. If any other matters come before either the Magellan special meeting or the Tellurian Investments special meeting and shall be voted upon, the proposed proxy will be deemed to confer authority to the individuals named as authorized therein to vote the shares represented by the proxy as to any matters that fall within the purposes set forth in the notice of special meeting. It is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their best judgment on such matters.

WHERE YOU CAN FIND MORE INFORMATION

Magellan files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information Magellan files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Magellan's SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at http://www.sec.gov.

Investors may also consult Magellan's or Tellurian Investments' website for more information about Magellan or Tellurian Investments, as applicable. Magellan's website is www.magellanpetroleum.com. Tellurian Investments' website is www.tellurianinvestments.com. Information included on these web sites is not incorporated by reference into this joint proxy statement/prospectus.

Magellan has filed with the SEC a registration statement of which this joint proxy statement/prospectus forms a part. The registration statement registers the issuance of the shares of Magellan common stock to be issued to Tellurian Investments stockholders pursuant to the merger. The registration statement, including the attached exhibits, contains additional relevant information about Magellan and the Magellan common stock. The rules and regulations of the SEC allow Magellan and Tellurian Investments to omit certain information included in the registration statement from this joint proxy statement/prospectus.

In addition, the SEC allows Magellan and Tellurian Investments to disclose important information to you by referring you to other documents filed separately with the SEC. This information is considered to be a part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates by reference the documents listed below that Magellan has previously filed with the SEC (other than information furnished pursuant to Item 2.01 or Item 7.01 of a Current Report on Form 8-K). These documents contain important information about Magellan, its financial condition or other matters.

- Annual Report on Form 10-K for the fiscal year ended June 30, 2016.
- Proxy Statement on Schedule 14A filed on June 6, 2016.
- The description of Magellan common stock contained in Magellan's registration statement on Form S-3 filed with the SEC on November 17, 2014, including any subsequently filed amendments and reports filed for the purpose of updating such description.

In addition, Magellan incorporates by reference any future filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this joint proxy statement/prospectus and prior to the date of the Magellan special meeting (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein). Such documents are considered to be a part of this joint proxy statement/prospectus, effective as of the date such documents are filed.

You can obtain any of these documents from the SEC through the SEC's website at the address described above, or Magellan will provide you with copies of these documents, without charge, upon written or oral request to:

Antoine J. Lafargue, Corporate Secretary
Magellan Petroleum Corporation
1775 Sherman Street, Suite 1950
Denver, Colorado 80203
Telephone: (720) 484-2400

In the event of conflicting information in this joint proxy statement/prospectus in comparison to any document incorporated by reference into this joint proxy statement/prospectus, or among documents incorporated by reference, the information in the latest filed document controls.

INDEX TO FINANCIAL STATEMENTS

Historical Condensed Consolidated Financial Statements of Tellurian Investments Inc.

INDEX TO THE FINANCIAL STATEMENTS OF TELLURIAN INVESTMENTS INC.

TELLURIAN INVESTMENTS INC. - UNAUDITED FINANCIAL STATEMENTS

Tellurian Investments Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	Successor June 30, 2016	Predecessor December 31, 2015
	(in thousands, except per-share amounts)	
Current assets:		
Cash and cash equivalents	$12,391	$ 589
Accounts receivable	122	10
Accounts receivable due from related parties	124	98
Prepaid expenses and other current assets	1,064	41
Total current assets	13,701	738
Property, plant and equipment:		
Property, plant and equipment, net	1,173	148
Land	9,491	—
Total property, plant and equipment, net	10,664	148
Goodwill	1,190	—
Note receivable due from related party	251	251
Other non-current assets	601	—
Total Assets	$26,407	$ 1,137
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$6,015	$ 164
Accounts payable due to related parties	363	388
Note payable, current	1,000	—
Total current liabilities	7,378	552
Commitments and contingencies (Note 8)		
Stockholders' equity/members' capital:		
Members' capital	—	585
Common stock, par value $0.001 per share; 200,000 shares authorized; 88,631 shares issued and outstanding as of June 30, 2016	87	—
Additional paid-in capital	42,412	—
Retained deficit	(23,470)	—
Total stockholders' equity/members' capital	19,029	585
Total Liabilities and Stockholders' Equity/Members' Capital	$26,407	$ 1,137

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Tellurian Investments Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Six Months Ended June 30,	
	2016	2015
	Successor	Predecessor
	(in thousands, except per-share amounts)	
Revenue	$—	$ 1,375
Revenue, related parties	—	128
Total revenue	—	1,503
Costs and expenses:		
Operating expenses	14,505	159
General and administrative	9,204	663
Total operating costs and expenses	23,709	822
Income (loss) from operations	(23,709)	681
Non-operating income:		
Other income, net	69	—
Loss before income tax benefit	(23,640)	681
Provision for income tax benefit	170	—
Net income (loss)	$(23,470)	$ 681
Net loss per share:		
Basic and diluted	$(0.46)	
Weighted average shares outstanding:		
Basic and diluted	50,549	

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

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Tellurian Investments Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

	Members' Equity	Common Stock Shares	Common Stock Par value	Additional Paid-in Capital	Retained Deficit	Total Stockholders' Equity
	(in thousands, except share amounts)					
Balance, January 1, 2015 (Predecessor)	$653	—	$ —	$ —	$—	$ 653
Members' distributions	(173)	—	—	—	—	(173)
Net income	681	—	—	—	—	681
Balance, June 30, 2015 (Predecessor)	$1,161	—	$ —	$ —	$—	$ 1,161
Balance, January 1, 2016 (Successor)	$—	—	$ —	$ —	$—	$ —
Effect of the Acquisition	—	500,000	1	999	—	1,000
Issuance of shares	—	84,856,000	84	36,290	—	36,374
Issuances of restricted stock	—	1,500,000	—	—	—	—
Share-based compensation	—	1,775,000	2	5,123	—	5,125
Net loss	—	—	—	—	(23,470)	(23,470)
Balance, June 30, 2016 (Successor)	$—	88,631,000	$ 87	$ 42,412	$(23,470)	$ 19,029

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Tellurian Investments Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2016	2015
	Successor	Predecessor
	(in thousands)	
Cash flows from operating activities:		
Net (loss) income	$(23,470)	$ 681
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	24	8
Loss on disposal of assets	37	—
Provision for income tax benefit	(170)	—
Share-based compensation	5,125	—
Changes in operating assets and liabilities:		
Accounts receivable	(113)	(46)
Accounts receivable due from related parties	(230)	459
Prepaid expenses and other current assets	(1,036)	(17)
Accounts payable and accrued liabilities	4,886	523
Accounts payable due to related parties	(14)	(330)
Other, net	(601)	—
Net cash (used in) provided by operating activities	(15,562)	1,278
Cash flows from investing activities:		
Purchases of property - land	(8,491)	—
Purchase of property, plant and equipment	(623)	(55)
Cash received in acquisition	210	—
Net cash used in investing activities	(8,904)	(55)
Cash flows from financing activities:		
Proceeds from the issuance of common stock	37,887	—
Equity offering costs	(1,030)	
Capital distributions	—	(173)
Net cash provided by (used in) financing activities	36,857	(173)
Net change in cash and cash equivalents	12,391	1,050
Cash and cash equivalents, beginning of the year	—	258
Cash and cash equivalents, end of the year	$12,391	$ 1,308
Supplemental Disclosures:		
Net cash paid for income taxes	$—	$ 6
Property, plant and equipment non-cash accruals	128	—
Land acquisition non-cash accruals	1,000	—
Equity offering cost accrual	483	

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Tellurian Investments Inc.
Notes to Financial Statements

NOTE 1 - ORGANIZATION AND DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Tellurian Investments Inc. (“Tellurian Investments” or “Successor”), formerly PLX Holdings LLC, was organized under Delaware law as a limited liability company on December 29, 2015, filed for conversion from a limited liability company to a privately-held Delaware corporation on February 23, 2016, and incurred less than five hundred dollars of costs related to its formation at inception.

Tellurian Investments owns a 100% membership interest in Tellurian LNG LLC, a Delaware limited liability company (“Tellurian LNG”), a 100% membership interest in Tellurian Services LLC, a Delaware limited liability company and a 100% ownership interest in Tellurian LNG UK Ltd. (“Tellurian LNG UK”). Tellurian LNG owns a 100% membership interest in Driftwood LNG LLC and Driftwood LNG Pipeline LLC ("Driftwood pipeline"). Tellurian Investments is planning on developing, through Tellurian LNG and Tellurian LNG’s wholly owned subsidiaries, a liquefied natural gas (“LNG”) facility with liquefaction capacity of 26 million tonnes per annum on a single site in Calcasieu Parish, Louisiana (“Driftwood LNG”). Tellurian LNG UK had no operations from inception through June 30, 2016.

On June 3, 2016 Tellurian Investments, through its wholly-owned subsidiary Driftwood LNG LLC entered into an option agreement (the “Option”) for certain tracts of land and associated river frontage in connection with the Land Acquisition. The Option provides for an approximately three and one half year option period whose exercise would provide for a 20-year lease term with six additional five-year extension options (see “Note 8, Commitments and Contingencies”).

On April 13, 2016, Tellurian Investments entered into a ground lease (the “Lease”) for a port facility adjacent to its Calcasieu Parish, Louisiana land providing for a four-year term, subject to a 50-year extension exercisable at the option of Tellurian Investments (see “Note 8, Commitments and Contingencies”).

On March 24, 2016, Tellurian Investments purchased certain tracts of land in Calcasieu Parish, Louisiana (the “Land Acquisition”), for a total consideration of $10 million, of which $9 million was paid in cash at closing and an additional $1 million is due in December 2016. Transaction costs related to this purchase totaled $39 thousand.

At this time, the liabilities of Tellurian Investments, other than those arising from the Land Acquisition, the Lease, the Option and property plant and equipment are obligations related to organizational and operating expenses, primarily for management, investment banking, legal and accounting services.

Tellurian Services LLC, formerly known as Parallax Services LLC (“Tellurian Services” or the “Predecessor”), organized under Delaware law as a limited liability company, was formed on December 18, 2013. Tellurian Services was formed primarily to engage in LNG-specific consulting services as well as back-office and general and administrative support services to Parallax Enterprises LLC ("Parallax Enterprises") and Parallax Energy LLC ("Parallax Energy") (see “Note 4, Transactions with Related Parties”).

On April 9, 2016 Tellurian Investments acquired Tellurian Services in an all-stock transaction with consideration totaling $1.234 million and acquisition costs of approximately $30 thousand (“the acquisition”). Tellurian Services has been deemed to be the accounting predecessor in this transaction (see “Note 3, Acquisition”).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from these estimates. Changes in estimates are recorded prospectively.

Interim financial statements

The condensed consolidated Successor financial statements for the six months ended June 30, 2016 and condensed Predecessor financial statements for the six months ended June 30, 2015 included herein have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Management believes that the interim financial statements reflect all adjustments necessary for a fair presentation of the results of the interim periods. Such adjustments are considered to be of a normal recurring nature. Results of operations for the six months ended June 30, 2016 are not necessarily indicative of the results of operations that will be realized for the year ended December 31, 2016.

Cash and Cash Equivalents

Tellurian Investments considers all highly liquid investments with an original maturity of three months or less to be cash equivalents and typically exceed federally insured limits.

Accounts Receivable

Accounts receivable are generated primarily from cost reimbursements as a result of back-office and general and administrative support services with related parties. Tellurian Investments routinely reviews outstanding balances, assesses the financial strength of its customers, and records a reserve for amounts not expected to be fully recovered. Tellurian Investments has not provided an allowance for doubtful accounts based on management's expectations that all receivables will be fully collected. The need for an allowance is determined based upon reviews of individual accounts, historical losses, existing economic conditions and other pertinent factors. No bad debt expense was recorded for the six months ended June 30, 2016 or the six months ended June 30, 2015.

Transactions with Related Parties

Tellurian Investments has receivables with related parties as a result of back-office and general and administrative support services provided and payables as a result of timing of deposits made in advance of services to be provided. Tellurian Investments does not consider the accounts or notes receivable from related parties to be uncollectible.

Concentration of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist principally of cash and cash equivalents. Tellurian Investments maintains cash balances at financial institutions, which may at times be in excess of federally insured levels. Tellurian Investments has not incurred losses related to these balances to date.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Expenditures for construction activities, major renewals and betterments that extend the useful life of an asset are capitalized, while expenditures for maintenance and repairs and general and administrative activities are expensed as incurred. Tellurian Investments depreciates property, plant and equipment using the straight-line depreciation method. Upon retirement or other disposition of property, plant and equipment, the cost and related accumulated depreciation are removed from the account, and the resulting gains or losses are recorded in operating expenses.

Management tests property, plant and equipment for impairment whenever events or changes in circumstances have indicated that the carrying amount of property, plant and equipment might not be recoverable. Assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets for purposes of assessing recoverability. Recoverability generally is determined by comparing the carrying value of the asset to the expected undiscounted future cash flows of the asset. If the carrying value of the asset is not recoverable, the amount of impairment loss is measured as the excess, if any, of the carrying value of the asset over its estimated fair value.

At June 30, 2016, property plant and equipment consisted primarily of land, buildings, leasehold improvements, office furniture and equipment. At December 31, 2015 property plant and equipment consisted primarily of leasehold improvements related to Tellurian Services' office lease, office furniture and equipment (see “Note 6, Property, Plant and Equipment”).

Income Taxes

Tellurian Investments accounts for income taxes in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Accounting for Income Taxes” (“ASC 740”), which requires an asset and liability approach for financial accounting and reporting of income taxes. Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities and net operating loss and credit carryforwards using enacted tax rates in effect for the year in which the differences are expected to impact taxable income. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Tellurian Investments recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such determination, Tellurian Investments considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, Tellurian Investments begins with historical results adjusted for the results of changes in accounting policies and Tellurian Investments incorporates assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income. The assumptions Tellurian Investments uses are consistent with the plans and estimates Tellurian Investments uses to manage the underlying businesses. If Tellurian Investments determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, Tellurian Investments would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Tellurian Investments recognizes tax liabilities in accordance with ASC 740, and adjusts those liabilities when judgments change as a result of evaluation of new information not previously available. Significant judgment is required in assessing, among other things, the timing and amounts of deductible and taxable items. Due to the complexity of some of these uncertainties, the ultimate resolution may result in payment that is materially different from Tellurian Investments’ current estimate of its tax liabilities. These differences are reflected as increases or decreases to income tax expense in the period in which they are determined.

As required by the uncertain tax position guidance in ASC 740, Accounting for Uncertainty in Income Taxes, Tellurian Investments recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. At the adoption date, Tellurian Investments applied the uncertain tax position guidance in ASC 740 to all tax positions for which the statute of limitations remained open.

Tellurian Investments recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included on the related tax liability line in the consolidated balance sheet.

Accounting for LNG Activities

Although the Driftwood LNG has incurred costs as of June 30, 2016, the funding necessary to complete the projects has not been secured. Until the affirmative final investment decision (“FID”) by Tellurian Investments’ Board of Directors to move forward with the project occurs, Tellurian Investments does not consider the project probable to occur, and project-related start-up costs are expensed as incurred.

FID represents a decision by Tellurian Investments’ Board of Directors to move forward with the Driftwood LNG, the project site and construction thereon.

Tellurian Investments will begin capitalizing the costs of its LNG terminals and related pipelines once the Driftwood LNG’s FID criteria have been met. Prior to meeting these criteria, most of the costs associated with a project are expensed as incurred. These costs primarily include professional fees associated with front-end engineering and design work, costs of securing necessary regulatory approvals, and other preliminary investigation and development activities related to Tellurian Investments’ LNG terminals and related pipelines.

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Generally, costs that are capitalized prior to a project meeting the criteria otherwise necessary for capitalization include: land costs that are capitalized as property, plant and equipment, the Lease prepayments are included in Prepaid expenses and other current assets, and the Option payments have been capitalized in Other non-current assets. Any prepaid costs of the Lease and the Option will be capitalized and reclassified to property plant and equipment and subsequently amortized over the life of the lease once obtained. If no lease is obtained, the costs are expensed.

Goodwill

At June 30, 2016 Tellurian Investments had $1.190 million of goodwill associated with the acquisition of the Predecessor. Goodwill represents the excess of purchase price over fair value of the assets of the business acquired (see “Note 3, Acquisition”).

Tellurian Investments determines its reporting unit by identifying each unit that engaged in business activities from which it may earn revenues and incur expenses, had operating results regularly reviewed by the chief operating decision maker for purposes of resource allocation and performance assessment, and had discrete financial information.

Tellurian Investments tests goodwill for impairment annually on October 1, or more frequently as circumstances dictate. Tellurian Investments utilizes the optional qualitative assessment to determine the likelihood of whether the fair value of the reporting unit is greater than its carrying amount. Tellurian Investments considers the results of this assessment as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. If the results of the qualitative test indicate potential impairment, Tellurian Investments may compare its estimate of the fair value of a reporting unit with its carrying value, including goodwill. If the carrying value of the reporting unit exceeds its fair value, Tellurian Investments performs the second step of the goodwill impairment test to measure the amount of goodwill impairment loss to be recorded, as necessary. The second step compares the implied fair value of the reporting unit’s goodwill to the carrying value, if any, of that goodwill. Tellurian Investments determines the implied fair value of the goodwill in the same manner as determining the amount of goodwill to be recognized in a business combination.

As discussed above regarding Tellurian Investments’ use of estimates, Tellurian Investments' judgments and assumptions are inherent in its estimate of future cash flows used to determine the estimate of the reporting unit’s fair value. The use of alternate judgments and/or assumptions could result in the recognition of impairment charges in the financial statements. A lower fair value estimate in the future could result in an impairment of goodwill. Factors that could trigger a lower fair value estimate include significant negative industry or economic trends, cost increases, disruptions to Tellurian Investments’ business, regulatory or political environment changes or other unanticipated events.

Share-based Compensation

Tellurian Investments has awarded share-based compensation in the form of stock and restricted stock units that are more fully described in “Note 7, Share-Based Compensation”. Tellurian Investments recognizes share-based compensation at fair value on the date of grant. The fair value is recognized as expense over the requisite service period. For equity-classified share-based compensation awards (unrestricted stock grants, restricted stock to employees and discounted share purchases for executive officers), compensation cost is recognized based on the grant-date fair value of Tellurian Investments’ common stock and not subsequently remeasured. The fair value is recognized as expense using the straight-line basis for awards that vest based on service and market conditions and using the accelerated recognition method for awards that vest based on performance conditions. Tellurian Investments estimates the service periods for performance awards utilizing a probability assessment based on when it expects to achieve the performance conditions. Compensation cost is subsequently adjusted quarterly to reflect the updated estimated payout levels based on the changes in Tellurian Investments’ stock price.

Recently Adopted Guidance

In March 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-09, Compensation-Stock Compensation (Topic 718). This ASU simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in this ASU are effective for public entities for annual and interim periods beginning after December 15, 2016. Various transition methods are prescribed depending on the aspect of accounting impacted by the amended guidance. Early adoption is permitted. The retroactive adoption to January 1, 2016 of this amendment did not have a material impact on Tellurian Investments' condensed consolidated financial statements and did not apply to historical periods of the Predecessor.

Accounting Guidance Issued but Not Adopted as of June 30, 2016

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The update provides guidance concerning the recognition and measurement of revenue from contracts with customers. Its objective is to increase the usefulness of information in the financial statements regarding the nature, timing, and uncertainty of the use of revenues. The update, after a deferral by one year in August 2015 by the FASB, subsequently issued as ASU 2015-14 Revenue from Contracts with Customers (Topic 606), is effective for Tellurian Investments for the annual period ending after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. Tellurian Investments has not yet selected a transition method and is evaluating the potential impact this standard will have on its condensed consolidated financial statements and related disclosures.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The update provides guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The update is effective for financial statements issued for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The standard will be adopted prospectively, and Tellurian Investments does not expect the update to have a significant impact on its condensed consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The amendments in this ASU eliminate the current requirement for entities to present deferred taxes as a net current asset or liability and net noncurrent asset or liability. Under the new guidance, all deferred tax assets and liabilities, along with the related valuation allowances, should be classified as noncurrent on the balance sheet. The amendments in this update may be applied either prospectively or retrospectively and is effective for annual and interim periods beginning after December 15, 2016 with early adoption permitted. Tellurian Investments is evaluating the potential impact this new standard will have on its condensed consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases. The update requires lessees to recognize lease assets and lease liabilities on the statement of financial position. The update is effective for financial statements issued for annual periods beginning after December 15, 2019 and for interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Tellurian Investments is evaluating the potential impact this new standard will have on its condensed consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15 Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments. This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The update is effective for financial statements issued for annual periods beginning after December 15, 2017 and for interim periods within those fiscal years. The amendments in this update will be applied using a retrospective transition method to each period presented. Early adoption is permitted. Tellurian Investments is evaluating the potential impact this new standard will have on its consolidated financial statements and related disclosures.

NOTE 2 -LIQUIDITY CONSIDERATIONS AND GOING CONCERN

Tellurian Investments' business does not have sufficient working capital to sustain operations for the next 12 months, which raises substantial doubt about its ability to continue as a going concern. At present, Tellurian Investments' cash flow is solely dependent upon the funds received from outside investors. Tellurian Investments' management expects the ability to access capital markets as a result of the planned merger with Magellan Petroleum Corporation ("Magellan") (see "Note 13, Subsequent Events").

Management believes the ability to raise additional capital will alleviate the substantial doubts about its ability to continue as a going concern. Tellurian Investments will need significant funding to develop the Driftwood LNG terminal and the Driftwood pipeline, as well as for working capital requirements and other operating and general corporate purposes.

The significant risks and uncertainties described above raise substantial doubt about Tellurian Investments' ability to continue as a going concern. The condensed consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities and commitments in the normal course of business. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

NOTE 3 - ACQUISITION

On April 9, 2016, Tellurian Investments acquired Tellurian Services in consideration totaling $1.234 million and acquisition costs of approximately $30 thousand related primarily to legal and accounting services. Tellurian Services was formed primarily to engage in LNG-specific consulting services as well as back-office and general and administrative support services to Parallax Enterprises and Parallax Energy. The transaction has been accounted for using the acquisition method in accordance with ASC 805, Business Combinations. The purchase price was allocated to the assets acquired and liabilities assumed as follows (in thousands):

Consideration:	
Elimination of related party payable due to Tellurian Investments	$234
Equity purchase price	1,000
Total consideration	1,234
Fair values of liabilities assumed:	
Related party accounts payable	376
Accounts payable	519
Amount attributable to liabilities assumed	895
Fair values of assets acquired:	
Cash	210
Accounts receivable	9
Related party accounts receivable	128
Prepaid expenses	28
Related party note receivable	251
Property, plant and equipment	483
Amounts attributable to assets acquired	1,109
Deferred tax liability as a result of acquisition	170
Goodwill	$1,190

Equity consideration related to the acquisition was valued at April 9, 2016 at $2.00 per share of common stock. A total of 500,000 shares of common stock were exchanged for the entire members' equity of Tellurian Services. Additionally, a related party payable due to Tellurian Investments by a Tellurian Services member was eliminated.

An allocation of purchase consideration related to the Tellurian Services acquisition was prepared with an effective date of April 9, 2016 utilizing the cost approach to determine the replacement cost of certain tangible fixed assets, using sources including valuation services providers, the Bureau of Labor Statistics, discussions with management, and other published data. The fair value of the remaining assets was determined to approximate fair value.

The following pro forma amounts represent Tellurian Investments' results of operations with appropriate adjustments which are expected to have a continuing impact, resulting from the application of acquisition method accounting. The unaudited pro forma information is provided for information purposes only and is not necessarily indicative of what Tellurian Investments' results of operation would have been if the acquisition occurred on January 1, 2016:

	For the six months ended June 30, 2016 (in thousands except per-share amounts)		
	As Reported	Pro Forma Adjustment	Pro Forma
Revenues	$—	$ —	$—
Net income	(23,470)	(655) (a)	(24,125)
Net income per basic share	$(0.46)		$(0.48)
Basic and diluted weighted average common shares outstanding	50,549		50,725

(a) Pro Forma adjustment for the historical net loss of Tellurian Services of $638 thousand prior to the acquisition less the services fees that were charged to subsidiaries of Tellurian Investments of $17 thousand.

NOTE 4 - TRANSACTIONS WITH RELATED PARTIES

As of June 30, 2016, Tellurian Investments, as a result of its Predecessor, has ongoing agreements with entities to provide certain general administrative and management services for a term of one year with automatic yearly extensions, including, without limitation, the sourcing, structuring and negotiation of potential business acquisitions and customer contracts ("the Agreements").

Under each Agreement, Tellurian Investments is compensated by each entity for its services with a fee equal to $25 thousand, paid annually. The total revenue recorded under the Agreements for the six months ended June 30, 2016 and 2015 were approximately $11 and $128 thousand, respectively, recorded within Other income for the Successor period and Revenue, related parties for the Predecessor period within the Condensed Consolidated Statements of Operation.

All activity conducted under the Agreements is included in Accounts receivable due from related parties and Accounts payable due to related parties on the Condensed Consolidated Balance Sheets and within Revenues from related parties and Other income on the Condensed Consolidated Statements of Operations.

The outstanding balances as of June 30, 2016 in Accounts receivable due from related parties and Accounts payable due to related parties are related to the general administrative and management services provided to Parallax Energy and its subsidiaries. Parallax Energy and its subsidiaries are 100% owned entities of Mr. Martin Houston, a shareholder and Executive Vice Chairman of Tellurian Investments. The balance in Accounts receivable due from related parties is a result of the acquisition of the Predecessor and a result of service fees earned. The balance in Accounts payable due to related parties is a result of the acquisition of the Predecessor (see "Note 3, Acquisition").

The outstanding balance as of June 30, 2016 in Accounts payable due to related parties for Parallax Enterprises and its subsidiaries is a result of the acquisition of the Predecessor. Parallax Enterprises is owned by executive officers of Tellurian Investments (see "Note 3, Acquisition").

The outstanding balances as of December 31, 2015 in Accounts receivable due from related parties and Accounts payable due to related parties are related to general administrative and management services provided to Parallax Enterprises and its subsidiaries. The Predecessor also provided general administrative and management services to Tellurian Investments in which Mr. Martin Houston, a member of the Predecessor, is a shareholder and Executive Vice Chairman. Parallax Enterprises and its subsidiaries are owned by four executive officers of the Predecessor. Two of the four officers, Mr. Martin Houston and Mr. Christopher Daniels, were also members of the Predecessor.

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Tellurian Investments had the following outstanding accounts receivable and accounts payable to related parties (in thousands):

Accounts receivable due from related parties	As of June 30, 2016	As of December 31, 2015
	(in thousands)	
Parallax Enterprises (1)	$—	$ 951
Parallax Energy	122	97
Parallax Fund V Investco LLC	2	1
Total accounts receivable due from related parties	$124	$ 1,049

Accounts payable due to related parties	As of June 30, 2016	As of December 31, 2015
	(in thousands)	
Parallax Enterprises (1)	$252	$ 1,257
Parallax Energy	111	82
Total accounts payable due to related parties	$363	$ 1,339

(1) The Parallax Enterprises LLC related party payable amounts as of December 31, 2015 are netted on the balance sheet by the amounts due to the Company.

On November 2015, the Predecessor issued an interest-free $251 thousand note receivable to Mr. Martin Houston, a 50% member of the Predecessor. The note was used to provide the collateral required to secure a $500 thousand line of credit as part of a covenant related to the office lease. See "Note 8, Commitments and Contingencies," for additional information about the office lease.

NOTE 5 - STOCKHOLDERS' EQUITY

Tellurian Investments' operations are governed by the provisions of its Articles of Incorporation. There are no current outstanding equity commitments of the stockholders.

All stockholders' equity at June 30, 2016 resulted from various private placements of Tellurian Investments' common stock, the acquisition of Tellurian Services (see "Note 3, Acquisition") and discounted purchases by employees (see "Note 7, Share-based Compensation"). Private placements and initial funding provided proceeds of $37.887 million. Equity offering costs of $1.513 million were incurred related to the private placements that occurred during the six months ended June 30, 2016. Equity offering costs are represented within Additional paid-in capital on the balance sheet.

NOTE 6 - PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

Property plant and equipment	June 30, 2016	December 31, 2015
	(in thousands)	
Buildings	$549	$ —
Leasehold improvements	170	39
Computer and office equipment	79	—
Furniture and fixtures	399	131
Accumulated depreciation	(24)	(22)

Total property plant and equipment, net	$1,173	$ 148

Tellurian Investments, through its wholly-owned subsidiary Driftwood LNG LLC, purchased certain tracts of land in Calcasieu Parish, Louisiana in exchange for $10 million in consideration (the “Land

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Acquisition") on March 24, 2016. Approximately $1 million of the total consideration is due and payable December 2016 and was accrued within Note payable, current, on the balance sheet. The Land Acquisition has been accounted for as an asset purchase and recorded at the purchase price and allocated between land and buildings based upon their relative fair values at the date of acquisition. Fair value was determined based on a replacement cost approach which contemplates the cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit. In making estimates of fair value, Tellurian Investments used published results of an appraisal report provided by third party valuation experts. Due to the significance of the of unobservable inputs utilized, Tellurian Investments has determined that such fair value measures are classified as Level 3 of the fair value hierarchy. At June 30, 2016 the allocation between land and buildings was $9.491 million and $549 thousand, respectively.

Property plant and equipment is depreciated using the straight-line depreciation method. Depreciation expense of $24 thousand and $8 thousand for the six months ended June 30, 2016 and 2015, respectively, is recorded within Operating expenses on the income statements. The estimated useful lives within property, plant and equipment are between 3 and 30 years, as follows:

- Buildings - 30 years
- Leasehold improvements - 10 years
- Computer and office equipment - 3-5 years
- Furniture and fixtures - 5-15 years

NOTE 7 -SHARE-BASED COMPENSATION

Tellurian Investments has granted stock and restricted stock to employees under the Tellurian Investments Inc. 2016 Omnibus Incentive Plan (the "Plan"). The maximum number of shares of Tellurian Investments' common stock reserved for issuance under the Plan is 30,000,000. As of June 30, 2016, there were 28,475,000 shares remaining available for issuance.

Stock Compensation Granted In Conjunction with the Plan

In April 2016, 1,500,000 restricted shares and 25,000 shares of unrestricted common stock were granted and issued to four executive officers under the Plan. The restricted stock awards vest upon FID. As of June 30, 2016, Tellurian Investments does not believe this event is considered probable of occurring at this time and therefore has not recorded share-based compensation expense related to the restricted stock awards.

The restrictions on all of the restricted stock awards will expire upon the affirmative final investment decision provided; however, such restrictions will expire on such date only if:

- the employee maintains continuous service from the date of the grant through the applicable vesting date; or
- the employee's continuous service is terminated by Tellurian Investments without cause or by the employee for good reason and in either event the FID occurs within five years after such termination.

For purposes of the restricted stock, FID means a decision by Tellurian Investments' Board of Directors to move forward with a project, the project site and construction thereon, following (i) determination by Tellurian Investments that such site has met the appropriate suitability criteria, (ii) Tellurian Investments securing a long-term option on such site, (iii) Tellurian Investments securing financing deemed sufficient by the Board of Directors, and (iv) the completion of the front-end engineering and design process.

Stock Compensation Granted Outside the Plan

In March 2016, Tellurian Investments' Board of Directors granted a total of 1,750,000 shares of vested stock to various employees. The vested stock was granted prior to the existence of the Plan.

In April 2016, Tellurian Investments' Board of Directors allowed 1,050,000 shares to be purchased at a discount by two executive officers as a form of compensation. The difference between the purchase price of $0.50 and the estimated fair value is recorded as compensation to the officers.

For the six months ended June 30, 2016, Tellurian Investments recognized stock-based compensation expense related to unrestricted stock and equity-classified share-based compensation awards of $5.125 million. The estimated fair value of all share-based compensation granted in the six months ended June 30, 2016 is $2.00 per share, which represents the private placement price for all equity sales at this time. Stock-based compensation expense is reflected in General and administrative expenses in Tellurian Investments' Condensed Consolidated Statements of Operations.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Leases and Contractual Commitments

Tellurian Investments' contractual obligations pertain to land and office leases, sponsorship agreements, and subscription agreements. Future non-cancelable commitments related to these obligations as of June 30, 2016 are presented below (in thousands):

	Remainder 2016	2017	2018	2019	2020	2021	Thereafter	Total
Office lease	$ 307	$621	$629	$636	$644	$651	$ 2,681	$6,169
Land lease and option	—	966	966	1,204	—	—	—	3,136
Notes payable	1,000	—	—	—	—	—	—	1,000
Sponsorship agreements	405	804	—	—	—	—	—	1,209
Subscription agreements	53	111	107	—	—	—	—	271
Total leases and contractual commitments	$ 1,765	$2,502	$1,702	$1,840	$644	$651	$ 2,681	$11,785

Office Lease

Tellurian Investments entered into a ten-year lease for its corporate headquarters located in Houston, Texas. In connection with this lease, Tellurian Investments has two, five-year renewal options. Amounts noted in the tabular disclosure above do not include the two potential renewal periods. Rent expense of $97 thousand was recognized for the six months ended June 30, 2016 in General and administrative within the Condensed Consolidated Statements of Operations.

Land Lease and Option

On April 13, 2016, Tellurian Investments, through its wholly-owned subsidiary Driftwood LNG LLC, entered into a ground lease (the "Lease") for a port facility adjacent to the land acquired in the Land Acquisition. The Lease provides for a four-year term, subject to a 50-year extension.

On June 3, 2016 Tellurian Investments, through its wholly-owned subsidiary Driftwood LNG LLC, entered into an option agreement (the "Option") for certain tracts of land and associated river frontage in connection with the Land Acquisition. The Option provides for an approximately three and one half year option period whose exercise would provide for a 20-year lease term with six additional five-year extension options.

Notes Payable

Tellurian Investments has a note payable of $1 million due December 2016 related to the Land Acquisition.

Sponsorship Agreements

Tellurian Investments has committed to participate and sponsor certain industry summits and trade shows in Europe and Asia throughout remainder of 2016, 2017 and 2018. In conjunction with the events, Tellurian Investments engaged a design firm to create the booth, promotional materials and other miscellaneous marketing items.

Subscription Agreements

Tellurian Investments entered into a three-year subscription agreement for market intelligence services as well as quarterly management briefings. In addition, Tellurian Investments has subscriptions with various industry trade publications and pricing services to provide general market intelligence and commodity price data.

Legal Matters

Bonini-Kettlety Lawsuit

On May 23, 2016, Simon Bonini and Paul Kettlety ("Bonini and Kettlety") filed a lawsuit against Tellurian Investments and Tellurian Services, along with each of Messrs. Houston and Daniels and certain entities in which each of Messrs. Houston and Daniels own membership interests, as applicable, in the District Court of Harris County, Texas, alleging among other things, breach of contract, promissory estoppel, quantum meruit, fraud/fraudulent concealment, negligent misrepresentation, breach of fiduciary duty, usurpation/diversion of corporate opportunity, conversion, civil conspiracy and implied partnership.

Bonini and Kettlety allege that there was a binding agreement between Bonini and Kettlety and Messrs. Houston and Daniels to sell an interest in Parallax Enterprises to Bonini and Kettlety and that the ultimate proposed ownership of Parallax Enterprises which was agreed to by Messrs. Houston, Daniels and two other members of Parallax Enterprises did not reflect the parties' agreement. Bonini and Kettlety allege that their agreed upon ownership in Parallax Enterprises (14.3%, each) exceeded what was ultimately offered to them (9.9%, each) and that the ultimate proposal subjected them to certain management, ownership and redemption terms to which they had not agreed. Bonini and Kettlety are seeking damages in excess of $168 million.

Although Tellurian Investments believes the claims of Bonini and Kettlety are without merit, and Tellurian Investments intends to engage in a vigorous defense of this litigation, Tellurian Investments may not ultimately be successful and any potential liability Tellurian Investments may incur is not reasonably estimable. Even if Tellurian Investments is successful, however, in the defense of this litigation, Tellurian Investments could incur costs, and suffer both an economical loss and an adverse impact on reputation, which could have a material adverse effect on Tellurian Investments' business.

Akkida Lawsuit

On June 7, 2016, Akkida Group, L.P. ("Akkida") filed a lawsuit against Tellurian Services, Parallax Energy and Mr. Houston, in the 333rd District Court of Harris County, Texas, alleging among other things, breach of contract, quantum meruit, unjust enrichment, negligent misrepresentation, fraud, fraudulent inducement, piercing the corporate veil/alter ego and conspiracy.

Akkida alleges that there was a binding agreement between Akkida and Tellurian Services for Tellurian Services to use Akkida's consulting services for the duration of two LNG projects of Parallax Energy. Akkida also alleges that its consulting services were terminated prematurely, and the compensation received for the consulting services it provided did not reflect the parties' agreement and was less than the value to which the parties had agreed to for such services.

Tellurian Investments believes Akkida's claims are without merit and Tellurian Services and Mr. Houston intend to engage in a vigorous defense of this litigation. However, Tellurian Services may not ultimately be successful and any potential liability Tellurian Services may incur is not reasonably estimable.

NOTE 9 - ACCOUNTS PAYABLE AND ACCRUED LIABILITITES

Accounts payable

At June 30, 2016, approximately $2.747 million of accounts payable related to engineering procurement and construction related to Driftwood LNG and approximately $631 thousand of legal fees.

At December 31, 2015, approximately $81 thousand of accounts payable related to expenses to be reimbursed to employees.

Accrued expenses

At June 30, 2016, approximately $1.453 million was accrued related to payroll and amounts related to employee bonuses.

At December 31, 2015, approximately $6 thousand related to accrued state taxes and $4 thousand related to accounting professional fees.

NOTE 10 - EMPLOYEE BENEFITS

Tellurian Investments has a defined contribution plan (“401(k) Plan”) which allows eligible employees to contribute up to 100% of their compensation up to the IRS maximum. Tellurian Investments matches each employee’s salary deferrals (contributions at 100%) up to 6% of compensation and may make additional contributions at its discretion. Employees are immediately vested in the contributions made by us. The Predecessor’s contributions to the 401(k) Plan were $15 thousand for the six months ended June 30, 2016 and zero for the six months ended June 30, 2015. The Predecessor’s 401(k) plan was implemented in September 2015. Tellurian Investments has made no discretionary contributions to the 401(k) Plan to date.

NOTE 11 - EARNINGS PER COMMON SHARE DATA

Basic earnings per share are based upon the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share include the effect of certain stock awards and other equity-based compensation awards. There are 1.5 million restricted common shares that are excluded from the calculation of net loss per share, as their effect would be anti-dilutive for the six months ended June 30, 2016.

Earnings per share data and dividends declared per share of common stock are as follows:

	Six Months Ended June 30, 2016 (in thousands, except per-share amounts)
Numerator:	
Net loss	$ (23,470)
Denominator:	
Basic weighted average common shares outstanding	50,549
Loss per share:	
Basic and diluted	$ (0.46)

NOTE 12 - INCOME TAXES

No income taxes existed for the six months ended June 30, 2016 as the Predecessor was formed as a limited liability company and elected to be taxed as a partnership. The sources of loss from operations before income taxes for both Successor and Predecessor for the six months ended June 30, 2016 and 2015, respectively, were as follows:

	Six Months Ended June 30,	
	2016	2015
	(in thousands)	
Domestic	$(23,640)	$ —
Foreign	—	—
Total loss before income taxes	$(23,640)	$ —

Income Tax Provision

The provision for income tax benefit consisted of the following:

	Six Months Ended June 30,	
	2016	2015
Current:	(in thousands)	
Federal	$ —	$ —
State	—	—
Foreign	—	—
Total	—	—
Deferred:		
Federal	(170)	—
State	—	—
Foreign	—	—
Total	(170)	—
Income tax benefit	$ (170)	$ —

Effective and Statutory Rate Reconciliation

The differences between income taxes expected at the U.S. federal statutory income tax rate of 35% and the reported income tax (benefit) expense are summarized as follows:

	Six Months Ended June 30,	
	2016	2015
	(in thousands)	
Income tax benefit at federal statutory rate	$(8,274)	$ —
Non-deductible expenses	9	—
Increase (decrease) in valuation allowance	8,095	—
Tax benefit	$(170)	$ —

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Significant components of deferred tax assets and liabilities are comprised of the following:

	Six Months Ended June 30,	
	2016	2015
	(in thousands)	
Property, plant and equipment	$ (148)	$ —
Capitalized start-up costs	3,018	—
Compensation accruals	275	—
Capitalized engineering costs	4,950	—
	8,095	—
Less valuation allowance	(8,095)	—
Deferred tax assets, net	$ —	$ —

Deferred income tax assets and liabilities resulted principally from capitalized engineering cost, capitalized start-up costs, property plant and equipment and compensation accruals. Deferred tax assets and deferred tax liabilities are classified as non-current in Tellurian Investments' balance sheet.

ASC 740 requires that Tellurian Investments reduce its deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. As Tellurian Investments has not yet begun generating revenues or performing the activities for which it was organized, Tellurian Investments established a full valuation allowance of $8.1 million in the period ended June 30, 2016, against its net deferred tax assets in excess of the deferred tax liabilities. Tellurian Investments does not have any naked credit, i.e., deferred tax liabilities associated with tax amortization of goodwill and indefinite lived intangible assets that are not amortized for financial reporting purposes.

As of June 30, 2016, Tellurian Investments had no unrecognized tax benefits. Tellurian Investments is subject to income taxes in the U.S. federal and various states jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Tellurian Investments reviews income tax positions expected to be taken in income tax returns to determine if there are any income tax uncertainties. Tellurian Investments recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on technical merits of the positions. Tellurian Investments has identified no income tax uncertainties. Tellurian Investments recognizes interest and penalties, if any, in the period in which they occur in income tax expense.

NOTE 13 - SUBSEQUENT EVENTS

Tellurian Investments evaluated subsequent events for appropriate accounting and disclosure through September 30, 2016.

As of August 1, 2016 Tellurian Investments completed a $10 million private placement of its common stock to an investor resulting in the subscription of 5,000,000 shares of common stock at a price of $2.00 per share.

On August 2, 2016, Tellurian Investments, Magellan Petroleum Corporation, a Delaware corporation ("Magellan"), and River Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Magellan ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, each outstanding share of common stock, par value $0.001 per share, of Tellurian Investments will be exchanged for 1.300 shares of common stock, par value $0.01 per share, of Magellan, and Merger Sub will merge with and into Tellurian Investments (the "Merger"), with Tellurian Investments continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan.

On August 3, 2016, Tellurian Investments entered into an agreement for cloud-based enterprise resource planning software. The agreement has a term of five years and a total contractual commitment of

approximately $676 thousand.

As of August 30, 2016, Tellurian Investments completed a $9 million private placement of its common stock to Meg Gentle, the current Tellurian Investments' President and Chief Executive Officer, resulting in the subscription of 4,500,000 shares of common stock at a price of $2.00 per share.

On August 31, 2016, Tellurian Investments hired Meg Gentle as its President and Chief Executive Officer.

On September 8, 2016, Tellurian Investments entered into the second amendment to its existing lease for the relocation of Tellurian Investments' corporate offices. The non-cancelable term of this lease is expected to begin December 2016 and will expire on April 2026 with total contractual commitments of approximately $10.338 million during its term.

On September 9, 2016, Tellurian LNG UK Ltd entered into a lease for Tellurian LNG UK Ltd's corporate offices. The non-cancelable term of this lease is expected to begin September 2016 and will expire in September 2021 with total contractual commitments of approximately $1.146 million during its term, exclusive of certain monthly insurance, building and service fees.

As of September 14, 2016 Tellurian Investments completed a $1 milion private placement of its common stock to Meg Gentle, Tellurian Investments' President and Chief Executive Officer, resulting in the subscription of 2,000,000 shares of common stock at a reduced price of $0.50 per share. Any difference between the per-share price and fair value will be recognized as compensation expense by Tellurian Investments.

On September 23, 2016, Tellurian Investments hired R. Keith Teague as its Executive Vice President and Chief Operating Officer and completed a $1 million private placement of its common stock to R. Keith Teague, resulting in the subscription of 2,000,000 shares of common stock at a reduced price of $0.50 per share. Any difference between the per-share price and fair value will be recognized as compensation expense by Tellurian Investments.

Historical Consolidated Financial Statements of Tellurian Services LLC
INDEX TO THE FINANCIAL STATEMENTS OF TELLURIAN SERVICES LLC
TELLURIAN SERVICES LLC - AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Member of Tellurian Services LLC:

We have audited the accompanying financial statements of Tellurian Services LLC (the "Company"), which comprise the balance sheets as of April 9, 2016, December 31, 2015, and December 31, 2014, and the related statements of operations, members' capital, and cash flows for the period from January 1, 2016 to April 9, 2016 and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tellurian Services LLC as of April 9, 2016, December 31, 2015, and December 31, 2014, and the results of its operations, members' capital and its cash flows for the period from January 1, 2016 to April 9, 2016 and for the years ended December 31, 2015 and 2014, in accordance with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

September 30, 2016

Tellurian Services LLC
Balance Sheets

	April 9,	December 31,	
	2016	2015	2014
	(in thousands)		
Assets			
Current assets:			
Cash and cash equivalents	$210	$589	$258
Accounts receivable	9	10	49
Accounts receivable due from related parties	130	98	1,075
Prepaid expenses and other current assets	28	41	22
Total current assets	377	738	1,404
Property, plant and equipment, net	480	148	111
Note receivable due from related party	251	251	—
Total Assets	$1,108	$1,137	$1,515
Liabilities and Members' Capital			
Current liabilities:			
Accounts payable and accrued liabilities	$519	$164	$400
Accounts payable due to related parties	642	388	462
Total current liabilities	1,161	552	862
Commitments and contingencies (Note 4)			
Members' capital:			
Members' capital	22	22	22
Accumulated (deficit) earnings	(75)	563	631
Total members' capital	(53)	585	653
Total Liabilities and Members' Capital	$1,108	$1,137	$1,515

The Notes to the Financial Statements are an integral part of these statements.

Tellurian Services LLC
Statements of Operations

	For the period from January 1, 2016 through April 9, 2016	For the Year Ended December 31, 2015	2014
	(in thousands)		
Revenue	$—	$1,375	$1,376
Revenue, related party	31	311	84
Total revenue	31	1,686	1,460
Costs and expenses:			
Operating expenses	52	263	129
General and administrative	617	1,318	700
Total operating expenses	669	1,581	829
(Loss) income from operations	(638)	105	631
Net (loss) income	$(638)	$105	$631

The Notes to the Financial Statements are an integral part of these statements.

Tellurian Services LLC
Statement of Members' Capital

	Members' Capital	Accumulated (Deficit) Earnings		Total Members' Capital	
	(in thousands)				
Balance, January 1, 2014	$—	$ —		$ —	
Members' contribution	22	—		22	
Net income	—	631		631	
Balance, December 31, 2014	22	631		653	
Members' distributions	—	(173	)	(173	)
Net income	—	105		105	
Balance, December 31, 2015	22	563		585	
Net loss	—	(638	)	(638	)
Balance, April 9, 2016	$22	$ (75	)	$ (53	)

The Notes to the Financial Statements are an integral part of theses financial statements.

Tellurian Services LLC
Statements of Cash Flows

	For the period from January 1, 2016 through April 9, 2016	For the Year Ended December 31, 2015	2014
	(in thousands)		
Cash flows from operating activities:			
Net (loss) income	$(638)	$105	$631
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	8	18	4
Related party bad debt expense	—	102	
Loss on disposal of assets	3	—	—
Changes in operating assets and liabilities:			
Accounts receivable	1	39	(49)
Accounts receivable due from related party	(32)	875	(1,075)
Prepaid expenses and other current assets	13	(19)	(22)
Accounts payable and accrued liabilities	281	(236)	400
Accounts payable due to related party	253	(74)	462
Net cash provided by (used in) operating activities	(111)	810	351
Cash flows from investing activities:			
Purchase of property and equipment	(268)	(55)	(115)
Notes receivable due from related party	—	(251)	—
Net cash used in investing activities	(268)	(306)	(115)
Cash flows from financing activities:			
Proceeds from the issuance of member interest	—	—	22
Distributions	—	(173)	—
Net cash provided by (used in) financing activities	—	(173)	22
Net change in cash and cash equivalents	(379)	331	258
Cash and cash equivalents, beginning of the year	589	258	—
Cash and cash equivalents, end of the year	$210	$589	$258
Supplemental Disclosures:			
Net cash paid for income taxes	$—	$7	$—
Property, plant and equipment non-cash accruals	75	—	—

The Notes to the Financial Statements are an integral part of these statements.

Tellurian Services LLC
Notes to Financial Statements
NOTE 1 - ORGANIZATION AND DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of Presentation
Tellurian Services LLC (“Tellurian Services”), organized under Delaware law as a limited liability company, was formed on December 18, 2013. Tellurian Services was formerly known as Parallax Services LLC prior to its membership interests being purchased and it being renamed in April 2016. Tellurian Services was formed primarily to engage in liquefied natural gas (“LNG”)-specific consulting services as well as back-office and general and administrative support services to Parallax Enterprises LLC (“Parallax Enterprises”) and its 100% owned subsidiaries as well as Parallax Energy LLC (“Parallax Energy”) and its 100% owned subsidiaries (see “Note 2 - Transactions with Related Parties”).
On July 1, 2014, Tellurian Services entered into a contract with Origin Energy to provide quarterly market intelligence related to the LNG markets. The contract provided for quarterly payments of approximately $688 thousand for each report. This contract represented the majority of Tellurian Services’ revenues for both 2014 and 2015. This contract was terminated in July 2015. As a result, there were no third party revenues in the period ended April 9, 2016.
On April 9, 2016 Tellurian Investments Inc. acquired Tellurian Services in an all-stock transaction with consideration totaling $1.2 million and acquisition costs of $30 thousand.
Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from these estimates. Changes in estimates are recorded prospectively.
Cash and Cash Equivalents
Tellurian Services considers all highly liquid investments with an original maturity of three months or less to be cash equivalents and typically exceed federally insured limits.
Accounts Receivable
Accounts receivable are primarily from cost reimbursements as a result of back-office and general and administrative support services with related parties. Tellurian Services routinely reviews outstanding balances, assesses the financial strength of its customers, and records a reserve for amounts not expected to be fully recovered. The need for an allowance is determined based upon reviews of individual accounts, historical losses, existing economic conditions and other pertinent factors. Tellurian Services recognized related party bad debt expense of $102 thousand for the year ended December 31, 2015. No bad debt expense was recorded for the period ended April 9, 2016 or the year ended December 31, 2014. See Note 2, Transactions with Related Parties, for additional information related to bad debt expense recognized.
Transactions with Related Parties
Tellurian Services has receivables with related parties as a result of back-office and general and administrative support services provided and payables as a result of timing of deposits made in advance of services to be provided. Tellurian Services does not consider the accounts or notes receivable from related parties to be uncollectible.
Property, Plant and Equipment
Property, plant and equipment are recorded at cost. Expenditures for construction activities, major renewals and betterments that extend the useful life of an asset are capitalized, while expenditures for maintenance and repairs and general and administrative activities are expensed as incurred. Tellurian Services depreciates its property, plant and equipment using the straight-line depreciation method. Upon retirement or other disposition of property, plant and equipment, the cost and related accumulated depreciation are removed from the account, and the resulting gains or losses are recorded in other operating costs and expenses.

Management tests property, plant and equipment for impairment whenever events or changes in circumstances have indicated that the carrying amount of property, plant and equipment might not be recoverable. Assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets for purposes of assessing recoverability. Recoverability generally is determined by comparing the carrying value of the asset to the expected undiscounted future cash flows of the asset. If the carrying value of the asset is not recoverable, the amount of impairment loss is measured as the excess, if any, of the carrying value of the asset over its estimated fair value

At April 9, 2016, and December 31, 2015 and 2014, property plant and equipment consisted primarily of leasehold improvements related to the Tellurian Services office lease and associated office furniture, fixtures and equipment. The estimated useful lives are 10 years and 5 to 15 years for the leasehold improvements and office furniture, fixtures and equipment, respectively. Amounts recorded to depreciation expense for the period ended April 9, 2016 and the years ended December 31, 2015 and 2014, was $8 thousand, $18 thousand and $4 thousand, respectively. Accumulated depreciation as of April 9, 2016, December 31, 2015, and December 31, 2014 was $30 thousand, $22 thousand and $4 thousand, respectively. Depreciation expense is recorded within General and administrative on the statements of operations.

Revenue Recognition

Tellurian Services recognizes consulting-related revenues over the contractual term of the arrangement or the expected period during which those specified services will be performed, whichever is longer, unless evidence suggests that the revenue is earned or obligations are fulfilled in a different pattern.

Income Taxes

Tellurian Services was organized as a Delaware limited liability company and is treated as a flow-through entity for U.S. federal income tax purposes. Under U.S. federal income tax law, limited liability companies that elect partnership taxation are not taxable entities. Therefore, a provision for income tax has not been recorded in the accompanying financial statements. The owners as of the time of the accompanying financial statements were individually responsible for reporting their share of Tellurian Services' income or loss on their income tax returns. Although Tellurian Services is a non-taxpaying entity for federal income tax purposes, certain states require a tax similar to an income tax. Texas imposes a franchise tax (commonly referred to as the Texas margin tax) on gross revenues less certain deductions, as specifically set forth in the Texas margin tax statute. The Texas margin tax applies to corporations and limited liability companies, general and limited partnerships (unless otherwise exempt), limited liability partnerships, trusts (unless otherwise exempt), business trusts, business associations, professional associations, joint stock companies, holding companies, joint ventures and certain other business entities having limited liability protection. Tellurian Services' Texas margin tax for the period ended April 9, 2016, December 31, 2015 and December 31, 2014 was insignificant (less than ten thousand dollars in each period presented) and thus was not separately presented in the financial statements. Tax expense is recorded within General and administrative on the statements of operations.

As required by the uncertain tax position guidance in ASC 740, Accounting for Uncertainty in Income Taxes, Tellurian Services recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Tellurian Services does not have any uncertain tax positions.

Tellurian Services files a U.S. Return of Partnership Income along with various other state filings. In the normal course of business, Tellurian Services may be audited by any of these taxing authorities. As of April 9, 2016, Tellurian Services is not currently undergoing any tax examinations.

Net Income Per Unit

Tellurian Services has omitted net income per unit due to no units being issued. In lieu of issuing units, the members' percentage interest set forth in Tellurian Services' operating agreement is a 50% interest to each member as of the time of the accompanying financial statements.

Comprehensive Income
Tellurian Services has no elements of comprehensive income other than net income.
Recently Issued Accounting Standards
In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). The update provides guidance concerning the recognition and measurement of revenue from contracts with customers. Its objective is to increase the usefulness of information in the financial statements regarding the nature, timing, and uncertainty of the use of revenues. The update, after a deferral by one year in August 2015 by the FASB, subsequently titled ASU 2015-14 Revenue from Contracts with Customers (Topic 606) is effective for Tellurian Services for the annual period ending after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. Tellurian Services has not yet selected a transition method and is evaluating the potential impact this standard will have on its financial statements and related disclosures.
In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The update provides guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The update is effective for financial statements issued for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Tellurian Services is evaluating the potential impact this new standard will have on its financial statements and related disclosures.
In February 2016, the FASB issued ASU 2016-02, Leases. The update requires lessees to recognize lease assets and lease liabilities on the statement of financial position. A modified retrospective transition approach is required for annual and interim periods beginning on or after December 15, 2018. Early adoption is permitted. Tellurian Services is evaluating the potential impact this new standard will have on its financial statements and related disclosures.
In August 2016, the FASB issued ASU 2016-15 Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments. This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The update is effective for financial statements issued for annual periods beginning after December 15, 2017 and for interim periods within those fiscal years. The amendments in this update will be applied using a retrospective transition method to each period presented. Early adoption is permitted. Tellurian Services is evaluating the potential impact this new standard will have on its financial statements and related disclosures.
NOTE 2 -TRANSACTIONS WITH RELATED PARTIES
As of April 9, 2016, Tellurian Services had entered into agreements with entities to provide certain general administrative and management services for a term of one year with automatic yearly extensions, including, without limitation, the sourcing, structuring and negotiation of potential business acquisitions and customer contracts ("the Agreements").
All activity conducted under the Agreements are included in Accounts receivable due from related parties and Accounts payable due to related parties on the balance sheets. Salary expense allocated to related parties is recorded within Operating expenses on the statements of operations. Salary expense for employees working on behalf of the related parties recorded for the period ended April 9, 2016 and the year ended December 31, 2015 was $52 thousand and $105 thousand, respectively. No salary expense was incurred to related parties for the year ended December 31, 2014.
The outstanding balances in Accounts receivable due from related parties and Accounts payable due to related parties are related to general administrative and management services provided to Parallax Enterprises and its 100% owned subsidiaries as well as Parallax Energy and its 100% owned subsidiaries. Two of the four officers of Parallax Enterprises, Mr. Martin Houston and Mr. Christopher Daniels, were also members of Tellurian Services until Tellurian Services was acquired by Tellurian Investments Inc. on April 9, 2016. Parallax Energy and its 100% owned subsidiaries are wholly owned by Mr. Martin Houston, a member of Tellurian Services.
Tellurian Services had the following outstanding accounts receivable and accounts payable to related parties and their respective 100% owned subsidiaries (in thousands):

Accounts receivable due from related party	As of April 9, 2016	As of December 31, 2015	As of December 31, 2014
	(in thousands)		
Parallax Enterprises [1]	$793	$ 951	$ 991
Parallax Energy	110	97	84
Tellurian Investments Inc.	17	—	—
Parallax Fund V Investco LLC	3	1	—
Total related party accounts receivable	$923	$ 1,049	$ 1,075

Accounts payable due to related party	As of April 9, 2016	As of December 31, 2015	As of December 31, 2014
	(in thousands)		
Parallax Enterprises [1]	$1,046	$ 1,257	$ —
Parallax Energy	124	82	287
Tellurian Investments Inc.	265	—	—
Parallax Fund V Investco LLC	—	—	175
Total related party accounts payable	$1,435	$ 1,339	$ 462

(1) The Parallax Enterprises related party payable amounts as of December 31, 2015 and April 9, 2016 are netted on the balance sheet by the amounts due the Company. The amounts have been presented gross in the above table.

In accordance with the netting agreement, effective date September 2016, between Tellurian Services and Parallax Enterprises, the outstanding accounts receivable and accounts payable balances related to Parallax Enterprises and its 100% owned subsidiaries are netted on the balance sheet for all period presented. The net position of all the balances as of April 9, 2016, December 31, 2015 and December 31, 2014 were a payable balance of $253 thousand and $306 thousand and a receivable balance of $991 thousand, respectively.

Under each Agreement, Tellurian Services is compensated by each entity for its services with a fee equal to $25 thousand paid annually. The total revenue recorded under these Agreements for the period ended April 9, 2016 and for the years ended December 31, 2015 and 2014 was approximately $31 thousand, $311 thousand, and $84 thousand, respectively. During the year ended December 31, 2015, service revenues receivables for three entities, 100% owned by Mr. Martin Houston, had become deemed uncollectible and charged to bad debt expense in the amount of $102 thousand.

Tellurian Services transacted on behalf of some of the above noted related parties before the Agreements were effective. On behalf of Parallax Enterprises, Tellurian Services paid legal expenses of $68 thousand, LNG project modelling costs of $24 thousand, engineering costs of $14 thousand, insurance costs of $5 thousand and a land option payment of $162 thousand. On behalf of Parallax Fund V Investco LLC, Tellurian Services received payments in the amount of $125 thousand that was then later deposited into Parallax Fund V Investco LLC's operating accounts. The transactions on behalf of Parallax Enterprises occurred before the effective date of the Agreement and are represented in Accounts receivable due from related parties on the balance sheets. The transactions on behalf of Parallax Fund V Investco LLC occurred before the effective date of the Agreement and are represented in Accounts payable due to related parties on the balance sheets.

On November 2015, Tellurian Services issued an interest free $251 thousand note receivable to Mr. Martin Houston, a 50% member of Tellurian Services. The note was used to provide the collateral required to secure a $500 thousand line of credit as part of a covenant related to Tellurian Services’ office lease. See Note 4, Commitments and Contingencies, for additional information about the office lease.

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NOTE 3 - MEMBERS' CAPITAL

Tellurian Services' operations are governed by the provisions of an operating agreement (the "LLC Agreement"). There are no current outstanding equity commitments of the members. Allocations of net income and loss are allocated to the members based on a hypothetical liquidation.

Limitations of Members' liabilities

Pursuant to the LLC Agreement (and as is customary for limited liability companies), the liability of the members is limited to their contributed capital.

LLC Interest Issuance

Martin Houston's contribution of $22 thousand represents the sole contribution by a member to Tellurian Services for all periods presented.

NOTE 4- COMMITMENTS AND CONTINGENCIES

Leases and contractual commitments

Tellurian Services' contractual obligations pertain to office leases. Future non-cancelable commitments related to these obligations as of April 9, 2016 are presented below (in thousands):

Leases and contractual commitments	Remainder 2016	2017	2018	2019	2020	2021	Thereafter	Total
Office lease	$ 448	$621	$629	$636	$644	$651	$ 2,681	$6,310

Office

On June 12, 2014 Tellurian Services entered into a lease with a term of approximately five years with Brookfield Properties Corporation for its corporate headquarters located in Houston, Texas. In connection with this lease, Tellurian Services has one five-year renewal option. Amounts noted in the tabular disclosure above do not include the optional renewal period. Rent expense of $53 thousand was recognized for the period ended April 9, 2016 in General and administrative with Statements of Operations.

Letters of Credit Outstanding

Tellurian Services' letter of credit related to the office lease of $500 thousand is secured by Martin Houston. No amounts have been drawn against this letter of credit. See Note 2, Transactions with Related Parties, for additional information.

Legal Matters

Bonini-Kettlety Lawsuit

On May 23, 2016, Simon Bonini and Paul Kettlety ("Bonini and Kettlety") filed a lawsuit against Tellurian Investments and Tellurian Services, along with each of Messrs. Houston and Daniels and certain entities in which each of Messrs. Houston and Daniels own membership interests, as applicable, in the District Court of Harris County, Texas, alleging among other things, breach of contract, promissory estoppel, quantum meruit, fraud/fraudulent concealment, negligent misrepresentation, breach of fiduciary duty, usurpation/diversion of corporate opportunity, conversion, civil conspiracy and implied partnership.

Bonini and Kettlety allege that there was a binding agreement between Bonini and Kettlety and Messrs. Houston and Daniels to sell an interest in Parallax Enterprises to Bonini and Kettlety and that the ultimate proposed ownership of Parallax Enterprises which was agreed to by Messrs. Houston, Daniels and two other members of Parallax Enterprises did not reflect the parties' agreement. Bonini and Kettlety allege that their agreed upon ownership in Parallax Enterprises (14.3%, each) exceeded what was ultimately offered to them (9.9%, each) and that the ultimate proposal subjected them to certain management, ownership and redemption terms to which they had not agreed. Bonini and Kettlety are seeking damages in excess of $168 million.

Although Tellurian Services believes the claims of Bonini and Kettlety are without merit, and Tellurian Services intends to engage in a vigorous defense of this litigation, Tellurian Services may not ultimately be successful and any potential liability Tellurian Services may incur is not reasonably estimable. Even if Tellurian Services is successful, however, in the defense of this litigation, Tellurian Services could incur costs and suffer both an economical loss and an adverse impact on reputation, which could have a material adverse effect on Tellurian Services' business.

NOTE 5 - SUBSEQUENT EVENTS

Tellurian Services has evaluated subsequent events for potential recognition and disclosure through September 30, 2016, the date the financial statements were available to be issued. No events were noted that required adjustment to or disclosures in the financial statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations of Tellurian Investments Inc.

Introduction

The following discussion and analysis presents Tellurian Investments Inc. ("Tellurian Investments") management's view of the business, financial condition and overall performance of Tellurian Investments and its subsidiaries and should be read in conjunction with Tellurian Services LLC's Audited Financial Statements for the period ended April 9, 2016 and the years ended December 31, 2015 and 2014, as well as Tellurian Investments' unaudited condensed consolidated Financial Statements for the six months ended June 30, 2016 and 2015, contained elsewhere in this joint proxy statement/prospectus.

The discussion includes certain forward-looking statements. For a discussion of important factors which could cause actual results to differ materially from the results referred to in the forward-looking statements, see "Risk Factors Risks Relating to Tellurian Investments' Business" and "Cautionary Statement Concerning Forward-Looking Statements."

Overview of Business

Tellurian Investments is a privately-held Delaware corporation headquartered in Houston, Texas and was formed on December 29, 2015. Tellurian Investments owns a 100% membership interest in Tellurian LNG LLC, a Delaware limited liability company ("Tellurian LNG"), a 100% membership interest in Tellurian Services LLC, a Delaware limited liability company previously known as Parallax Services LLC ("Tellurian Services"), and a 100% ownership interest in Tellurian LNG UK Ltd. Tellurian LNG owns 100% membership interest in each of Driftwood LNG LLC and Driftwood LNG Pipeline LLC.

Tellurian Investments is planning on developing, through Tellurian LNG and Tellurian LNG's wholly owned subsidiaries, a liquefied natural gas ("LNG") facility with liquefaction capacity of 26 million tonnes per annum in Calcasieu Parish, Louisiana ("Driftwood LNG"), and pursuing complementary business lines in the energy industry. Tellurian Investments estimates construction costs of $450 to $550 per tonne for Driftwood LNG before owners' costs, financing costs, pipeline costs, and contingencies. Tellurian Investments expects that the permitting process, regulatory approval and securing the necessary financing will take approximately two years followed by a four-year construction period, resulting in the delivery of the first cargoes of LNG in 2022. Tellurian Investments also plans to pursue business that is complementary to its LNG business.

Tellurian Services, was formed in December 2013, by Martin J. Houston and Christopher B. Daniels to provide LNG-specific consulting services, as well as back-office and general and administrative support services for related party entities. On April 9, 2016, Tellurian Investments purchased 100% of the membership interests of Tellurian Services from Mr. Houston and Mr. Daniels, in return for 500,000 shares of common stock and $10 cash, and renamed it Tellurian Services LLC.

Recent Events

On March 24, 2016, Tellurian Investments purchased certain tracts of land in Calcasieu Parish, Louisiana, for a total consideration of $10 million, of which $9 million was paid in cash at closing and an additional $1 million is due in December 2016. Transaction costs related to this purchase totaled $39 thousand.

On February 5, 2016, Tellurian Investments entered into a ground lease for a port facility adjacent to its Calcasieu Parish, Louisiana land providing for a four-year term, subject to a 50-year extension exercisable at the option of Tellurian Investments.

On August 2, 2016, Tellurian Investments, Magellan Petroleum Corporation, a Delaware corporation ("Magellan"), and River Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Magellan ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, each outstanding share of common stock, par value $0.001 per share, of Tellurian Investments will be exchanged for 1.300 shares of common stock, par value $0.01 per share, of Magellan, and Merger Sub will merge with and into Tellurian Investments (the "Merger"), with Tellurian Investments continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan. Despite Magellan being the parent entity following the merger, Tellurian Investments is the accounting acquirer for financial accounting purposes.

Results of Operations
Six Months Ended June 30, 2016 and 2015

	2016 Successor	2015 Predecessor
	(in thousands)	
Revenue	$—	$ 1,375
Revenue, related parties	—	128
Total revenue	—	1,503
Costs and expenses:		
Operating expenses	14,505	159
General and administrative	9,204	663
Total operating costs and expenses	23,709	822
(Loss) income from operations	(23,709)	681
Non-operating income:		
Other income, net	69	—
Loss before income tax benefit	(23,640)	681
Provision for income tax benefit	170	—
Net (loss) income	$(23,470)	$ 681

Tellurian Investments

Tellurian Investments had no significant activities from its date of formation, December 29, 2015, through December 31, 2015. Tellurian Services is considered the accounting predecessor for all periods prior to 2016. Below is a discussion of Tellurian Investments' ("Successor") operating results for the six months ended June 30, 2016.

Revenue

Tellurian Investments did not have any revenue for the six months ended June 30, 2016. Driftwood LNG is currently in development and expects to begin generating revenues in approximately 2022.

Operating expenses

Operating expenses of $14.505 million recorded for the six months ended June 30, 2016 are made up primarily of engineering costs of $13.674 million, $272 thousand in amortization of prepaid lease expenses related to the ground lease for a port facility, contracted project labor of $255 thousand, regulatory expenses of $190 thousand, depreciation expense and asset disposal costs of $62 thousand, operating salary expense of $43 thousand and $9 thousand in other operating expenses.

General and administrative expenses

General and administrative ("G&A") expenses of $9.204 million for the six months ended June 30, 2016 are made up primarily of share based compensation expense of $5.125 million, salary and other accrued compensation expenses of $2.360 million, legal and other professional fees of $695 thousand, information technology expenses of $340 thousand, advertising and marketing expenses of $219 thousand, rent and other office expenses of $215 thousand, travel expenses of $138 thousand, research and periodical subscriptions of $88 thousand and other general expenses of $24 thousand.

Other income, net

Other income was $69 thousand for the six months ended June 30, 2016, net. Other income consists of office space sublease income, service fees and labor costs of employees providing services for sublease tenants, net of expenses.

Six Months Ended June 30, 2015

Tellurian Services

As noted above, Tellurian Services is considered the accounting predecessor for all periods prior to 2016. Below is a discussion of Tellurian Services' ("Predecessor") operating results for the six months ended June 30, 2015.

Revenue

Tellurian Services' revenues of $1.375 million for the six months ended June 30, 2015 are attributable to the contract related to the creation and distribution of an LNG industry analyst report delivered to Origin Energy Ltd.

Revenue, related party

Related party revenues of $128 thousand is compensation under service agreements with entities to provide certain general administrative and management services.

Operating expenses

Operating expenses of $159 thousand are made up of $117 thousand direct expenses incurred to create and distribute the LNG industry analyst report delivered to Origin Energy Ltd and $42 thousand in operating salary expenses.

General and administrative expenses

G&A expenses of $663 thousand are made up of salary and other compensation expenses of $265 thousand, rent and other office expenses of $128 thousand, legal and other professional fees of $114 thousand, travel expenses of $79 thousand, information technology expenses of $37 thousand, advertising and marketing expense of $16 thousand and other general expenses of $24 thousand.

Tellurian Services

Set forth below is a discussion of Tellurian Services' results of operations for the period from January 1, 2016 to April 9, 2016 (the date of acquisition by Tellurian Investments) and the years ended December 31, 2015 and 2014.

Period Ended April 9, 2016 Compared to Year Ended December 31, 2015

	January 1, 2016 through April 9, 2016	2015
	(in thousands)	
Revenue	$—	$1,375
Revenue, related party	31	311
Total revenue	31	1,686
Costs and expenses:		
Operating expenses	52	263
General and administrative	617	1,318
Total operating expenses	669	1,581
(Loss) income from operations	(638)	105
Net (loss) income	$(638)	$105

Revenue

Tellurian Services' 2016 revenues decreased by $1.375 million, or 100%, from $1.375 million in 2015 to zero in 2016 due to the termination of the contract related to the creation and distribution of an LNG industry analyst report delivered to Origin Energy Ltd. The termination of the contract was effective July 1, 2015. Tellurian Services did not have any other revenue generating contracts during 2015 or 2016.

Revenue, related party

Tellurian Services' 2016 related party revenues decreased $280 thousand, or 90.0%, from $311 thousand in 2015 to $31 thousand in 2016, primarily due to the loss of revenue previously recognized for its largest related party customer due to concerns regarding collectability. This was partially offset by the addition of new related party revenue service contracts from Tellurian Investments and its subsidiaries. The remaining difference is due to the allocation of annual fees over the shortened reporting period in 2016.

General and administrative expenses

G&A expenses decreased by $701 thousand, or 53.2%, from $1.318 million in 2015 to $617 thousand in 2016. The decrease is driven by the shortened reporting period in 2016.

Operating expenses

Operating expenses decreased by $211 thousand, or 80.2%, from $263 thousand for 2015 to $52 thousand operating expenses in 2016 due to the termination of the contract related to the creation and distribution of an LNG industry analyst report delivered to Origin Energy Ltd. The termination of the contract was effective July 1, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

	2015	2014
	(in thousands)	
Revenue	$1,375	$1,376
Revenue, related party	311	84
Total revenue	1,686	1,460
Costs and expenses:		
Operating expenses	263	129
General and administrative	1,318	700
Total operating expenses	1,581	829
Income from operations	105	631
Net income	$105	$631

Revenue

Tellurian Services' 2015 revenues decreased by $1 thousand, or less than 1%, from $1.376 million in 2014 to $1.375 million for 2015 due to the timing of the allocation of the contract revenue related to the creation and distribution of an LNG Industry analyst report delivered to Origin Energy Ltd.

Revenue, related party

Tellurian Services' 2015 related party revenues increased $227 thousand, or 270.2%, from $84 thousand in 2014 to $311 thousand in 2015, due to the addition of new related party revenue streams from Parallax Enterprises LLC and its subsidiaries.

Operating expenses

Operating expenses increased by $134 thousand, or 103.9%, from $129 thousand for 2014 to $263 thousand in 2015 due to increase in salary expense related to operations and the timing of expenses incurred to create and distribute the LNG industry analyst report delivered to Origin Energy Ltd.

General and administrative expenses

G&A expenses increased $618 thousand, or 88.3%, from $700 thousand in 2014 to $1.318 million in 2015. Approximately $560 thousand of this increase is attributable to the increase in staff employed. In addition, Tellurian Services incurred a one-time bad debt expense of $102 thousand, a $154 thousand increase in office operating expenses and $68 thousand increase in information technology cost. The increases were partially offset by a decrease of $147 thousand related to travel expenses, $61 thousand in advertising costs and $66 thousand in legal fees. The remainder of the increase was primarily attributable to other general expenses.

Liquidity and Capital Resources

Tellurian Investments' principal requirements for cash, in addition to general and administrative expenses and working capital, will be for the development of Driftwood LNG.

Tellurian Investments expects that the permitting process, regulatory approval, and securing the necessary financing will take approximately two years and that such expenditures will total $100 to $150 million and be funded by private offerings of Tellurian Investments common stock prior to the consummation of the Merger or public and private offerings of equity or debt securities of Magellan subsequent to the Merger or credit facilities. Following the permitting and regulatory process, Tellurian Investments expects a four-year construction period with estimated engineering, procurement and construction costs of $450 to $550 per tonne, resulting in total capital construction costs of $11.7 to $14.3 billion. Tellurian Investments expects to begin generating revenues with delivery of the first LNG cargoes in 2022.

Tellurian Investments does not have any firm funding commitments, other than those previously described, and there can be no assurances that additional resources will be provided. These risks and uncertainties raise substantial doubt about its ability to continue as a going concern. Tellurian Investments will need significant funding to develop the Driftwood LNG and its associated Driftwood pipeline, as well as for working capital requirements and other operating and general corporate purposes. At present, Tellurian Investments’ cash flow is solely dependent upon the funds received from outside investors. Tellurian Investments’ management expects the ability to access capital markets as a result of the planned merger with Magellan. Management believes the ability to raise additional capital will alleviate the substantial doubts about its ability to continue as a going concern.

Sources and Use of Cash - Tellurian Investments

Tellurian Investments had no significant activities from its date of formation, December 29, 2015, through December 31, 2015. As noted above, Tellurian Services is considered the accounting predecessor for all periods prior to 2016. Below is a discussion of Tellurian Investments’ (“Successor”) cash flows for the six months ended June 30, 2016, as compared to Tellurian Services (“Predecessor”) for the six months ended June 30, 2015.

Operating Activities

Cash used by operations of $15.562 million in the six months ended June 30, 2016 primarily reflects net losses offset by non-cash items and by cash generated by components of working capital. The non-cash items of $5.016 million consist primarily of share-based compensation expense of $5.125 million. The components of working capital provided cash of $2.892 million in 2016. Total cash generated by the $4.886 million increase in accounts payable was offset by the $14 thousand decrease in related party accounts payable, the $230 thousand increase in related party accounts receivable, the $113 thousand increase in accounts receivable, the $1.036 million increase in prepaid expenses and the $601 thousand increase in other non-current assets.

Cash provided by operations of $1.278 million generated in the six months ended June 30, 2015 by the Predecessor reflects earnings and cash provided by components of working capital. The components of working capital provided cash of $589 thousand in 2015. Total cash generated by the $523 thousand increase in accounts payable and the $459 thousand decrease in related party accounts receivable was offset by the $46 thousand increase in accounts receivable, the $17 thousand decrease in prepaid expenses and the $330 thousand increase in related party accounts payable.

Investing Activities

During the six months ended June 30, 2016 and 2015, the Successor and Predecessor used $8.904 million and $55 thousand, respectively, of cash related to investing activities. All cash flow outlays related to investing activities were used in the purchase of land and property, plant and equipment. The Successor had $210 thousand in cash provided by the acquisition of Tellurian Services.

Financing Activities

During the six months ended June 30, 2016, Tellurian Investments was provided $37.887 million of cash in financing activities as a result of the issuance of common shares offset by the share issuance cost of $1.030 million. During the six months ended June 30, 2015, the Predecessor used $173 thousand as a result of distributions made to members.

Sources and Use of Cash - Tellurian Services

Operating Activities

Cash used by operations of $111 thousand in the period from January 1, 2016 to April 9, 2016 primarily reflects net losses offset by cash generated by components of working capital. The components of working capital provided cash of $516 thousand in 2016. Total cash generated by the $1 thousand decrease in accounts receivables, the $13 thousand decrease in prepaid expenses, the $281 thousand increase in accounts payable and the $253 thousand increase in related party accounts payable was offset by a $32 thousand decrease in related party accounts receivable.

Cash provided by operations of $810 thousand generated in the year ended December 31, 2015 primarily reflects earnings offset by cash used by components of working capital. The components of working capital provided cash of $585 thousand in 2015. Total cash used by the $19 thousand increase in prepaid expenses, the $236 thousand decrease in accounts payable and the $74 thousand decrease in related party accounts payable was offset by a $39 thousand decline in accounts receivable and the $875 thousand decrease in related party accounts payable.

Cash provided by operations of $351 thousand generated in 2014 primarily reflects earnings offset by cash used by components of working capital. The components of working capital consumed cash of $284 thousand in 2014. Total cash used by the $1.075 million increase in related party accounts receivables, the $22 thousand increase in prepaid expenses and the $49 thousand increase in accounts receivable was offset by a $400 thousand increase in accounts payable and $462 thousand increase in related party accounts payable.

Investing Activities

During the period from January 1, 2016 to April, 9 2016 and the years ended December 31, 2015 and 2014, Tellurian Services used $268 thousand, $306 thousand and $115 thousand, respectively, of cash related to investing activities. In 2015, there was a cash outlay in exchange for a related party note receivable. All other cash flow outlays related to investing activities were used in the purchase of property, plant and equipment.

Financing Activities

During the period from January 1, 2016 to April, 9 2016, there were no cash financing activities. During the year ended December 31, 2015, Tellurian Services used cash of $173 thousand as a result of distributions made to members. During the year ended December 31, 2014, Tellurian Services was provided $22 thousand of cash related to financing activities from member contributions.

Critical Accounting Policies and Estimates

The discussion and analysis of Tellurian Services' and Tellurian Investments' financial condition and results of operations are based on their respective financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management of Tellurian Services and Tellurian Investments to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and assumptions are based on managements' best estimates and judgement. Tellurian Services' and Tellurian

Investments' management evaluate their estimates and assumptions on an ongoing basis using historical experience and other factors that are believed to be reasonable under the circumstances. Such estimates and assumptions are adjusted when facts and circumstances dictate. Actual results may differ from these estimates and assumptions used in the preparation of the financial statements.

Additional critical accounting policies include those related to accounting for LNG activities, the valuation of goodwill and share-based compensation.

Accounting for LNG activities - Tellurian Investments will begin capitalizing the costs of its LNG terminals and related pipelines once the Driftwood LNG's affirmative final investment decision criteria have been met. Prior to meeting these criteria, most of the costs associated with a project are expensed as incurred.

Goodwill - Tellurian Investments determines its reporting unit by identifying each unit that engaged in business activities from which it may earn revenues and incur expenses, had operating results regularly reviewed by the chief operating decision maker for purposes of resource allocation and performance assessment, and had discrete financial information. Tellurian Investments tests goodwill for impairment annually on October 1, or more frequently as circumstances dictate.

Share-based compensation - Tellurian Investments recognizes share-based compensation at fair value on the date of grant. The fair value is recognized as expense over the requisite service period. For equity-classified share-based compensation awards (unrestricted stock grants, restricted stock to employees and discounted share purchases for executive officers), compensation cost is recognized based on the grant-date fair value of Tellurian Investments' common stock and not subsequently remeasured. The fair value is recognized as expense using the straight-line basis for awards that vest based on service and market conditions and using the accelerated recognition method for awards that vest based on performance conditions.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED FINANCIAL INFORMATION OF MAGELLAN PETROLEUM CORPORATION

Introduction

On August 2, 2016, Magellan Petroleum Corporation, a Delaware corporation (“Magellan”), Tellurian Investments Inc., a Delaware corporation (“Tellurian”), and River Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Magellan (“Merger Sub”), entered into an Agreement and Plan of Merger (the “Merger Agreement”). Pursuant to the Merger Agreement, each outstanding share of common stock, par value $0.001 per share, of Tellurian will be exchanged for 1.300 shares of common stock, par value $0.010 per share, of Magellan, and Merger Sub will merge with and into Tellurian (the “Merger”), with Tellurian continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan. Following these actions, approximately 95.4% of the combined company’s common stock will be owned by Tellurian. Upon closing, there will be an aggregate of approximately 139.2 million shares of the combined company’s common stock outstanding.

The Merger Agreement and the Merger have been approved by the board of directors of Magellan and the board of directors of Tellurian. Stockholders of Magellan and Tellurian will be asked to vote on the approval of the Merger and the transactions contemplated by the Merger Agreement at a special meeting that will be held on a date to be announced. The Boards of both Magellan and Tellurian have recommended that their stockholders approve the Merger.

As a condition to closing of the Merger, all directors of Magellan and each Magellan subsidiary must resign, except for any person(s) that might be designated by Tellurian. Further, the Merger Agreement provides that the directors of the combined company will be the three existing directors of Tellurian, and the two remaining directors will be appointed by Tellurian. It is anticipated that the Merger Agreement will be accounted for as a “reverse acquisition” and recapitalization since Tellurian will have control over the combined company through their post-Merger ownership of approximately 95.4% of the common stock of Magellan, majority representation on the combined company’s board of directors, and control of a majority of management positions of the combined company.

The Merger has been treated as a reverse acquisition, pursuant to which Tellurian is the accounting acquirer, and contemporaneously with the closing of the Merger, Tellurian is recapitalized through Magellan’s public company capital structure. Because Tellurian did not have material operations until January 1, 2016, the unaudited pro forma financial statements only include Tellurian’s historical financial results for that respective period. Tellurian’s predecessor, Parallax Services LLC (“Parallax” or the “Predecessor”), was acquired by Tellurian on April 9, 2016. The Predecessor historical financial results have been included for the periods prior to April 9, 2016 in the unaudited pro forma condensed statements of operations.

The following unaudited pro forma condensed consolidated combined financial statements reflect the combination of the historical consolidated results of Magellan, Tellurian, and Parallax on a pro forma basis to give effect to the following transactions, which are described in further detail below, as if they had occurred on June 30, 2016 for pro forma condensed consolidated combined balance sheet purposes, and on January 1, 2015 for pro forma condensed consolidated combined statement of operations purposes:

- Tellurian Equity Offerings. Four Tellurian equity offerings occurred subsequent to June 30, 2016. In aggregate, 13.5 million Tellurian shares of common stock, par value $0.001, were issued for $21.0 million in cash proceeds. Additional detail on the equity offerings is included in the “Notes to the Unaudited Condensed Consolidated Combined Pro Forma Financial Statements.”
- Exchange Transaction and Weald Asset Transfer Agreement. The exchange transaction between Magellan and One Stone was signed on March 31, 2016, and closed on August 1, 2016. As a result, One Stone transferred to Magellan 100% of the outstanding shares of Magellan Series A Preferred Stock, in consideration for the assignment to and assumption by One Stone of 100% of the outstanding membership interests in Nautilus Poplar LLC, and 51% of the outstanding common units in Utah CO2 LLC (the “Exchange Transaction”). Refer to “Note 2 - One Stone Exchange” in Magellan’s Annual Report on Form 10-K for the fiscal year ended June 30, 2016 filed with the Securities and Exchange Commission on September 14, 2016 for additional information. The sale of the Weald Basin exploration licenses in the United Kingdom and the related settlement of litigation with Celtique, which was signed on June 10, 2016,

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was completed on August 11, 2016 (the "Weald ATA"). Refer to "Note 3 - Sale of Weald Basin Assets" in Magellan's Annual Report for the fiscal year ended June 30, 2016 filed with the Securities and Exchange Commission on September 14, 2016 for additional information.

- Merger Adjustments. Adjustments reflect the reincorporation and merger of Magellan and Tellurian by which Merger Sub will merge with and into Tellurian with Tellurian continuing as the surviving corporation and a direct wholly owned subsidiary of Magellan. Although Magellan is the legal acquirer, Tellurian is the accounting acquirer. Accordingly, the assets and liabilities of Magellan are recorded at their preliminary estimated fair values. The actual adjustments to the consolidated financial statements upon consummation of the Merger Agreement and allocation of the final purchase price will depend on a number of factors, including additional financial information available at such time, changes in the fair value of Magellan's common stock transferred at the closing date, and changes in the estimated fair value of Magellan's assets and liabilities as of the closing date. Accordingly, the final allocations of the Merger Agreement consideration and the effects of such allocations on the results of operations may differ materially from the preliminary allocations and unaudited pro forma combined amounts included herein.

The unaudited pro forma condensed consolidated combined balance sheet of the combined company is based on (i) the audited historical consolidated balance sheet of Magellan as of June 30, 2016 and (ii) the unaudited historical consolidated balance sheet of Tellurian as of June 30, 2016, and includes pro forma adjustments to give effect to the Tellurian Equity Offerings, the Exchange Transaction and Weald ATA, and Merger Adjustments as if they had occurred on June 30, 2016.

The unaudited pro forma condensed consolidated combined statements of operations of the combined company are based on (i) the unaudited historical consolidated statement of operations of Magellan for the twelve months ended December 31, 2015, (ii) the audited historical consolidated statement of operations of the Predecessor for the twelve months ended December 31, 2015, (iii) the unaudited historical consolidated statement of operations of Magellan for the six months ended June 30, 2016, (iv) the unaudited historical consolidated statement of operations of Tellurian for the six months ended June 30, 2016, (v) the audited historical consolidated statement of operations of the Predecessor for the period from January 1, 2016 through April 9, 2016, and (vi) the Tellurian Equity Offerings, the Exchange Transaction and Weald ATA, and Merger Adjustments as if they had occurred on January 1, 2015.

The unaudited pro forma data presented herein reflects events that are directly attributable to the described transactions, factually supportable, and as it relates to the unaudited pro forma condensed consolidated combined statements of operations, expected to have a continuing impact. The unaudited pro forma data presented herein also reflects certain assumptions which management believes are reasonable. Such pro forma data is not necessarily indicative of financial results that would have been attained had the described transactions occurred on the dates indicated above, or the results of the combined company that may be achieved in the future. The adjustments are based on currently available information and certain estimates and assumptions. Therefore, the actual results may differ from the pro forma results indicated herein. However, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the transactions as contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed consolidated combined financial statements.

The unaudited pro forma condensed consolidated combined financial statements are provided for illustrative purposes only and are not intended to represent or be indicative of the consolidated results of operations or consolidated financial position of the combined company that would have been recorded had the Merger been completed as of the dates presented, and they should not be taken as representative of the expected future results of operations or financial position of the combined company. The unaudited pro forma condensed consolidated combined financial statements do not reflect the impacts of any potential operational efficiencies, asset dispositions, cost savings or economies of scale that the combined company may achieve with respect to the operations of the combined company. Additionally, the unaudited pro forma statements of operations do not include non-recurring charges or credits, and the related tax effects, which result directly from the Merger.

The unaudited pro forma condensed consolidated combined financial statements have been derived from, and should be read in conjunction with, the historical consolidated financial statements and accompanying notes of Magellan, as incorporated by reference to Magellan's Annual Report on Form 10-K for the fiscal year ended June 30, 2016 filed with the Securities and Exchange Commission on September 14, 2016, and Tellurian and the Predecessor,

as included in this proxy statement under “Financial Statements of Tellurian Investments Inc.” and “Financial Statements of Parallax Services LLC.”

Unaudited Pro Forma Condensed Consolidated Combined Balance Sheet
As of June 30, 2016
($ in thousands)

	Tellurian Historical	Tellurian Equity Offerings	Magellan Historical	Magellan Exchange Transaction and Weald ATA		Adjusted Historical	Merger Adjustments		Pro Forma Combined
ASSETS		(a)	(b)				(j)		
CURRENT ASSETS:									
Cash and cash equivalents	$ 12,391	$ 21,000	$ 1,680	$ 900	(c)	$ 2,711	$ 500		$ 32,739
		(10)		(467)	(d)		(3,853)	(k)	
				598	(e)				
Securities available-for-sale	—	—	601	941	(e)	1,542	259		1,801
Accounts receivable	122	—	16	—		16	—		138
Accounts receivable due related parties	124	—	—	—		—	—		124
Prepaid and other assets	1,064	—	2,087	—		2,087	—		3,151
Current assets held for sale	—	—	26,042	(24,929)	(f)	—	—		—
				(1,113)	(g)				
Total current assets	13,701	20,990	30,426	(24,070)		6,356	(3,094)		37,953
PROPERTY AND EQUIPMENT, NET (SUCCESSFUL EFFORTS METHOD):									
Unproved oil and gas properties	—	—	32	—		32	12,468		12,500
Wells in progress	—	—	337	—		337	—		337
Land, property, and equipment, net of accumulated depreciation	10,664	—	86	—		86	—		10,750
Net property and equipment	10,664	—	455	—		455	12,468		23,587
OTHER NON-CURRENT ASSETS:									
Note receivable due from related party	251	—	—	—		—	—		251
Goodwill, net	1,190	—	500	—		500	(500)		21,024
							19,834		
Other long-term assets	601	—	169	(150)	(h)	19	—		620
Total other non-current assets	2,042	—	669	(150)		519	19,334		21,895
TOTAL ASSETS	$ 26,407	$ 20,990	$ 31,550	$ (24,220)		$ 7,330	$ 28,708		$ 83,435
LIABILITIES AND EQUITY									
CURRENT LIABILITIES:									
Accounts payable, accrued and other liabilities	$ 6,015	$ —	$ 3,617	$ (174)	(i)	$ 3,443	$ 800		$ 10,258
Notes payable	1,000	—	783	(625)	(c)	158	—		1,158
Accounts payable due to related parties	363	—	—	—		—	—		363
Current liabilities held for sale	—	—	10,638	(9,969)	(f)	—	—		—
				(669)	(g)				
Total current liabilities	7,378	—	15,038	(11,437)		3,601	800		11,779

Unaudited Pro Forma Condensed Consolidated Combined Balance Sheet
As of June 30, 2016
($ in thousands)

	Tellurian Historical	Tellurian Equity Offerings	Magellan Historical	Exchange Transaction and Weald ATA		Adjusted Historical	Merger Adjustments		Pro Forma Combined
PREFERRED STOCK:									
Series A convertible preferred stock	—	—	23,501	(23,501)	(f)	—	—		—
EQUITY:									
Common Stock	87	14	70	—		70	(70)		1,392
							4	(k)	
							(101)	(l)	
							1,388	(l)	
Treasury stock	—	—	(9,806)	—		(9,806)	9,806		—
Capital in excess of par value	42,412	20,986	94,067	9,625	(c)	103,692	(103,692)		105,841
	—								