

MAGELLAN PETROLEUM CORP /DE/

Form S-4/A

December 28, 2016

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As filed with the Securities and Exchange Commission on December 28, 2016

Registration No. 333-213923

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

Magellan Petroleum Corporation

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>1311</b> (Primary Standard Industrial Classification Code Number) <b>1775 Sherman Street, Suite 1950</b>	<b>06-0842255</b> (I.R.S. Employer Identification Number)
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**Denver, Colorado 80203**

**(720) 484-2400**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Antoine J. Lafargue**

**Magellan Petroleum Corporation**

**1775 Sherman Street, Suite 1950**

**Denver, Colorado 80203**

(720) 484-2400

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*with copies to:*

<b>John A. Elofson, Esq.</b>	<b>Meg A. Gentle</b>	<b>J. Wesley Dorman, Jr., Esq.</b>
<b>Davis Graham &amp; Stubbs LLP</b>	<b>Tellurian Investments Inc.</b>	<b>Gray Reed &amp; McGraw, P.C.</b>
<b>1550 17th Street, Suite 500</b>	<b>1201 Louisiana Street, Suite 3100</b>	<b>1300 Post Oak Boulevard, Suite 2000</b>
<b>Denver, Colorado 80202-1500</b>	<b>Houston, Texas 77002</b>	<b>Houston, Texas 77056</b>
<b>(303) 892-7335</b>	<b>(832) 962-4000</b>	<b>(713) 730-5937</b>

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement and upon completion of the merger described in the enclosed joint proxy statement/prospectus.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

(Do not check if a smaller reporting company)

Non-accelerated filer

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered (1)</b>	<b>Proposed Maximum Offering Price per Share (2)</b>	<b>Proposed Maximum Aggregate Offering Price (3)</b>	<b>Amount of Registration Fee (4)</b>
Common stock, par value \$0.01 per share	32,350,000	\$0.00033	\$8,295	\$0.96

- (1) Represents the estimated maximum number of shares of common stock of the registrant to be issued in connection with the merger described herein not included in the preliminary joint proxy statement/prospectus filed on October 3, 2016. The number of shares of common stock of the registrant is based on 148,515,615 shares of Tellurian Investments Inc. common stock, representing those outstanding as of December 27, 2016 and the maximum amount that may be issued prior to the merger, and the exchange of each such share for 1.300 shares of common stock of the registrant pursuant to the Agreement and Plan of Merger, dated as of August 2, 2016, by and among the registrant, Tellurian Investments Inc., and River Merger Sub, Inc., as it may be amended from time to time (the merger agreement ).
- (2) In as much as there is no market for the Tellurian Investment Inc. common stock to be cancelled in the merger and Tellurian Investments Inc. has an accumulated capital deficit, the proposed maximum offering price per share was calculated using one-third of the par value of Tellurian Investments Inc. common stock in accordance with Rule 457(f)(2) promulgated under the Securities Act of 1933, as amended (the Securities Act ). The par value of Tellurian Investments Inc. common stock is \$0.001, one-third of which is equal to approximately \$0.00033.
- (3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f)(2) promulgated under the Securities Act, the proposed maximum aggregate offering price was calculated by multiplying (A) one-third of the par value per share of the Tellurian Investments Inc. common stock, by (B) 24,884,615 shares, representing the aggregate number of shares of Tellurian Investments Inc. common stock to be cancelled in the merger, which were not included in the preliminary joint proxy statement/prospectus filed on October 3, 2016.
- (4) A fee of \$4.15 was previously paid in connection with the filing of the preliminary joint proxy statement/prospectus on October 3, 2016, determined in accordance with Section 6(b) of the Securities Act at the then-applicable rate of \$100.70 per \$1,000,000 of the then-proposed maximum aggregate offering price of \$41,210. Pursuant to Rule 457(b) promulgated under the Securities Act, such fee is being credited against the registration fee. An additional \$0.96 has been paid prior to the filing of this registration statement, determined in accordance with Section 6(b) of the Securities Act at the current applicable rate of \$115.90 per \$1,000,000 of the current proposed maximum aggregate offering price of the additional shares being registered pursuant to this amendment which were not included in the preliminary joint proxy statement/prospectus filed on October 3, 2016.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not distribute the common stock of Magellan Petroleum Corporation being registered pursuant to this joint proxy statement/prospectus until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to distribute or a solicitation of an offer to receive any securities in any jurisdiction where an offer or solicitation is not permitted.

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 28, 2016**

Magellan Petroleum Corporation

1775 Sherman Street, Suite 1950

Denver, Colorado 80203

Tellurian Investments Inc.

1201 Louisiana Street, Suite 3100

Houston, Texas 77002

**JOINT PROXY STATEMENT/PROSPECTUS**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

On August 2, 2016, Magellan Petroleum Corporation, a Delaware corporation ( "Magellan" ), Tellurian Investments Inc., a Delaware corporation ( "Tellurian Investments" ), 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 (as it may be amended from time to time, 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 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 subsidiary of Magellan. Except for adjustments made to reflect stock splits, share issuances and similar changes, this exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Based on the closing price of Magellan common stock on the NASDAQ Capital Market on August 2, 2016, the last trading day before public announcement of the merger, the aggregate value of the merger consideration payable to Tellurian Investments stockholders was approximately \$159.3 million.

Shares of Magellan common stock outstanding before the merger is completed will remain outstanding and will not be exchanged, converted or otherwise changed in the merger. Magellan common stock is currently traded on the NASDAQ Capital Market under the symbol "MPET". Tellurian Investments is a private company, and thus Tellurian Investments common stock is not traded on any established market. We urge you to obtain current market quotations of Magellan common stock.

We intend for the merger to qualify as a reorganization and/or a non-taxable exchange under U.S. federal tax law. Accordingly, Tellurian Investments stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Tellurian Investments common stock for shares of Magellan common stock pursuant to the merger.

Based on the estimated number of shares of Magellan and Tellurian Investments common stock expected to be outstanding immediately prior to the closing of the merger, we estimate that, upon such closing, existing Magellan stockholders will own approximately 3% of the Magellan common stock following the merger and former Tellurian Investments stockholders will own approximately 96.3% of the Magellan common stock following the merger.

Magellan and Tellurian Investments believe that the merger will be beneficial to their stockholders. In order to complete the transactions contemplated by the merger agreement, the Magellan stockholders and the Tellurian Investments stockholders must approve the merger and the other transactions contemplated by the merger agreement.

At a special meeting of Magellan stockholders to be held on [ ], 2017, at [ ] local time in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver,

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Colorado 80203, Magellan stockholders will be asked to vote 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 Petroleum Corporation 2016 Omnibus Incentive Compensation Plan (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; (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; (4) a proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) a proposal to ratify the appointment of EKS&H LLLP as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017. Approval of Magellan Proposals 1, 2, 3 and 5 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, regardless of whether there is a quorum. Only stockholders who hold shares of Magellan common stock at the close of business on [ ], 2016, the record date for the Magellan special meeting, are entitled to vote at the meeting.

At a special meeting of Tellurian Investments stockholders to be held on [ ], 2017, at [ ] local time at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002, Tellurian Investments stockholders will be asked to vote on a proposal to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger. Approval of the proposal requires the affirmative vote of holders of a majority of the outstanding shares of Tellurian Investments common stock entitled to vote thereon. Only stockholders who hold shares of Tellurian Investments common stock at the close of business on [ ], 2016, the record date for the Tellurian Investments special meeting, are entitled to vote at the meeting.

This letter and the enclosed joint proxy statement/prospectus are being furnished to you in connection with the solicitation of proxies by the Magellan board of directors and the Tellurian Investments board of directors. Attached to this letter is an important document, a joint proxy statement/prospectus, containing detailed information about Magellan, Tellurian Investments, the proposed merger and the other transactions contemplated by the merger agreement, as well as the other matters to be considered at the Magellan and Tellurian Investments special meetings of stockholders. We urge you to read this document carefully and in its entirety.

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 Internal Revenue 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; (4) FOR the proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) FOR the ratification of the appointment of EKS&H LLLP as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

Tellurian Investments board of directors recommends that you vote FOR the approval of the merger and the transactions contemplated by the merger agreement, including the merger.

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Your vote is very important. Whether or not you plan to attend the Magellan or Tellurian Investments special meeting of stockholders, please take the time to complete, sign, date, and return the applicable enclosed proxy card. If you hold your shares in street name, you should instruct your broker how to vote in accordance with your voting instruction card.

Please review the joint proxy statement/prospectus carefully. In particular, please carefully consider the matters discussed under Risk Factors beginning on page 32 of the joint proxy statement/prospectus. You can also obtain other information about Magellan and Tellurian Investments from documents Magellan has filed with the U.S. Securities and Exchange Commission.

Sincerely yours,

MAGELLAN PETROLEUM CORPORATION

TELLURIAN INVESTMENTS INC.

J. Robinson West

Charif Souki

Chairman of the Board of Directors

Chairman of the Board of Directors

Antoine J. Lafargue

Meg A. Gentle

President and Chief Executive Officer

President and Chief Executive Officer

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the enclosed joint proxy statement/prospectus or passed upon the adequacy or accuracy of the joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

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Magellan Petroleum Corporation

1775 Sherman Street, Suite 1950

Denver, Colorado 80203

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To be held on [ ], 2017**

To the Stockholders of Magellan Petroleum Corporation:

We will hold a special meeting of the stockholders of Magellan Petroleum Corporation, a Delaware corporation ( Magellan ), on [ ], 2017, at [ ] local time in the Lobby Conference Room of the Denver Financial Center, located at 1775 Sherman Street, Denver, Colorado 80203, for the following purposes:

1. To vote on a proposal to approve the issuance of shares of Magellan common stock, par value \$0.01 per share, to stockholders of Tellurian Investments Inc., a Delaware corporation ( Tellurian Investments ), contemplated by the Agreement and Plan of Merger, dated as of August 2, 2016, by and among Magellan, Tellurian Investments and River Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Magellan ( Merger Sub ), as that agreement may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;
2. To vote on a proposal to approve the Magellan Petroleum Corporation 2016 Omnibus Incentive Compensation Plan (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, a copy of which plan is included as Annex C to the joint proxy statement/prospectus of which this notice is a part;
3. To vote on 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;
4. To vote on a proposal to approve the adjournment of the Magellan special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the Magellan special meeting to approve the other proposals contained in this notice; and
5. To vote on a proposal to ratify the appointment of EKS&H LLLP as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

Only holders of record of Magellan common stock at the close of business on [ ], 2016, the record date for the Magellan special meeting, are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. The merger and the other proposed transactions contemplated by the merger agreement cannot be



completed unless Magellan stockholders approve the merger agreement.

Approval of Magellan Proposals 1, 2, 3 and 5 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

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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, regardless of whether there is a quorum.

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 Internal Revenue 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; (4) FOR the proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) FOR the ratification of the appointment of EKS&H LLLP as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

To ensure your representation at the Magellan special meeting, please complete and promptly mail your proxy card in the return envelope enclosed, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. This will not prevent you from voting in person, but will help to secure a quorum for the Magellan special meeting and avoid added solicitation costs. If your shares are held in street name by your broker or other nominee, only that holder can vote your shares, and the vote cannot be cast on any matter other than the proposal to ratify the appointment of EKS&H as the independent registered public accounting firm of Magellan, unless you provide instructions to your broker. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your proxy may be revoked at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the Magellan special meeting.

By Order of the Board of Directors,

Antoine J. Lafargue, Corporate Secretary  
[ ], 2016

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger agreement, the merger or the other transactions contemplated by the merger agreement or passed upon the fairness or merits of the merger agreement, the merger or the other transactions contemplated by the merger agreement or upon the accuracy or adequacy of the information contained in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

**YOUR VOTE IS IMPORTANT.**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MAGELLAN SPECIAL MEETING, PLEASE VOTE ALL PROXIES YOU RECEIVE. STOCKHOLDERS OF RECORD CAN VOTE ANY ONE OF THREE WAYS:**

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BY TELEPHONE: CALL THE TOLL-FREE NUMBER ON YOUR PROXY CARD TO VOTE BY  
PHONE;

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VIA INTERNET: VISIT THE WEBSITE ON YOUR PROXY CARD TO VOTE VIA THE INTERNET; OR

BY MAIL: MARK, SIGN, DATE, AND MAIL YOUR PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

THE METHOD BY WHICH YOU DECIDE TO VOTE WILL NOT LIMIT YOUR RIGHT TO VOTE AT THE MAGELLAN SPECIAL MEETING. IF YOU LATER DECIDE TO ATTEND THE MAGELLAN SPECIAL MEETING IN PERSON, YOU MAY VOTE YOUR SHARES EVEN IF YOU HAVE PREVIOUSLY SUBMITTED A PROXY.

IF YOU HOLD YOUR SHARES THROUGH A BANK, BROKER OR OTHER NOMINEE, YOU MUST FOLLOW THE VOTING INSTRUCTIONS PROVIDED BY THE NOMINEE. IN ADDITION, YOU MUST OBTAIN A PROXY, EXECUTED IN YOUR FAVOR, FROM THE NOMINEE TO BE ABLE TO VOTE AT THE MAGELLAN SPECIAL MEETING. YOU MAY BE ABLE TO VOTE VIA THE INTERNET OR BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS THE NOMINEE PROVIDES.

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Tellurian Investments Inc.

1201 Louisiana Street, Suite 3100

Houston, Texas 77002

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To be held on [ ], 2017**

To the Stockholders of Tellurian Investments Inc.:

We will hold a special meeting of the stockholders of Tellurian Investments Inc., a Delaware corporation ( Tellurian Investments ), on [ ], 2017, at [ ] local time at the Petroleum Club located at 1201 Louisiana Street, 35th Floor, Houston, Texas 77002, for the following purposes:

1. To vote on a proposal to approve the merger contemplated by the Agreement and Plan of Merger, dated as of August 2, 2016, by and among Magellan Petroleum Corporation ( Magellan ), Tellurian Investments and River Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Magellan ( Merger Sub ), as that agreement may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part; and
2. To approve any adjournments or postponements of the meeting.

Only holders of record of Tellurian Investments common stock at the close of business on [ ], 2016, the record date for the Tellurian Investments special meeting, are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. The merger and the other proposed transactions contemplated by the merger agreement cannot be completed unless Tellurian Investments stockholders approve the merger agreement. Tellurian Investments stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware, which we refer to as the DGCL or Delaware law, 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 106 of the joint proxy statement/prospectus of which this notice is a part. In addition, a copy of Section 262 of the DGCL is attached to such joint proxy statement/prospectus as Annex D.

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.

Tellurian Investments board of directors recommends that you vote FOR the approval of the merger and the transactions contemplated by the merger agreement, including the merger.

To ensure your representation at the Tellurian Investments special meeting, please complete and promptly mail your proxy card in the return envelope enclosed, or authorize the individuals named

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on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. This will not prevent you from voting in person, but will help to secure a quorum for the Tellurian Investments special meeting and avoid added solicitation costs. Your proxy may be revoked at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the Tellurian Investments special meeting.

By Order of the Board of Directors,

Christopher Daniels, Corporate Secretary  
[ ], 2016

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger agreement, the merger or the other transactions contemplated by the merger agreement or passed upon the fairness or merits of the merger agreement, the merger or the other transactions contemplated by the merger agreement or upon the accuracy or adequacy of the information contained in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

**YOUR VOTE IS IMPORTANT.**

**WHETHER OR NOT YOU PLAN TO ATTEND THE TELLURIAN INVESTMENTS SPECIAL MEETING, PLEASE VOTE ALL PROXIES YOU RECEIVE. STOCKHOLDERS OF RECORD CAN VOTE ANY ONE OF THREE WAYS:**

**BY TELEPHONE: CALL THE TOLL-FREE NUMBER ON YOUR PROXY CARD TO VOTE BY PHONE:**

**VIA INTERNET: VISIT THE WEBSITE ON YOUR PROXY CARD TO VOTE VIA THE INTERNET: OR**

**BY MAIL: MAIL, MARK, SIGN, DATE, AND MAIL YOUR PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.**

**IF YOU LATER DECIDE TO ATTEND THE TELLURIAN INVESTMENTS SPECIAL MEETING IN PERSON, YOU MAY VOTE YOUR SHARES EVEN IF YOU HAVE PREVIOUSLY SUBMITTED A PROXY BY NOTIFYING THE CORPORATE SECRETARY IN WRITING PRIOR TO THE VOTING OF THE PROXY.**

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**ADDITIONAL INFORMATION**

Pursuant to Rule 411 under the Securities Act of 1933, as amended (the Securities Act ), this joint proxy statement/prospectus incorporates by reference the complete terms of particular portions of certain documents that are summarized in this joint proxy statement/prospectus. You can obtain complete copies of the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from Magellan at the following address and telephone number:

Antoine J. Lafargue, Corporate Secretary

Magellan Petroleum Corporation

1775 Sherman Street, Suite 1950

Denver, Colorado 80203

Telephone: (720) 484-2400

**Investors may also consult Magellan's or Tellurian Investments' website for more information about Magellan or Tellurian Investments, respectively. Magellan's website is [www.magellanpetroleum.com](http://www.magellanpetroleum.com). Tellurian Investments' website is [www.tellurianinvestments.com](http://www.tellurianinvestments.com). Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.**

**If you would like to request any documents, please do so by [ ], 2017 in order to receive them before the respective special meetings of stockholders. If you request any documents, Magellan or Tellurian Investments will mail them to you by first class mail, or another equally prompt means, after receipt of your request.**

For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 169.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by Magellan, constitutes a prospectus of Magellan under the Securities Act, with respect to the shares of Magellan common stock to be issued to Tellurian Investments stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a proxy statement for Magellan under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Magellan stockholders and a notice of meeting with respect to the special meeting of Tellurian Investments stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. Neither Magellan nor Tellurian Investments has authorized anyone to give any information or make any representation about the merger, Magellan or Tellurian Investments that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that have been incorporated by reference into this joint proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. This joint proxy statement/prospectus is dated December 28, 2016. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. Neither our mailing of this joint proxy statement/prospectus to Magellan stockholders or Tellurian Investments stockholders nor the issuance by Magellan of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Magellan has been provided by Magellan and information contained in this joint proxy statement/prospectus regarding Tellurian Investments has been provided by Tellurian Investments.

All references in this joint proxy statement/prospectus to "Magellan" refer to Magellan Petroleum Corporation, a Delaware corporation; all references in this joint proxy statement/prospectus to "Merger Sub" refer to River Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of Magellan formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to "Tellurian Investments" refer to Tellurian Investments Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to Magellan and Tellurian Investments collectively; and, unless otherwise indicated or as the context requires, all references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of August 2, 2016, as amended, by and among Magellan Petroleum Corporation, Tellurian Investments Inc. and River Merger Sub, Inc., which is incorporated by reference into this joint proxy statement/prospectus and a copy of which is included as Annex A to this joint proxy statement/prospectus. Magellan and Tellurian Investments, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the "combined company."



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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 169.*

**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 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 subsidiary of Magellan and Tellurian Investments common stockholders will become stockholders of Magellan.

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

Immediately following the closing of the transactions contemplated by the merger agreement, Magellan expects to file a certificate of amendment to Magellan's restated certificate of incorporation and to amend Magellan's bylaws for the



purpose of effecting a name change of the company from Magellan Petroleum Corporation to Tellurian Inc. Pursuant to Section 242(b)(1) of the General Corporation Law of the State of Delaware, which we refer to as the DGCL or Delaware law, and the bylaws of Magellan, the name change will not require stockholder approval but will need to be approved by the board of directors of the combined company. The name change will not affect the rights of Magellan's existing stockholders. There will be no other changes to the certificate of incorporation or bylaws of Magellan in connection with the name change.

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**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 common 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 DGCL, as described in this joint proxy statement/prospectus). If a holder of Tellurian Investments common 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 32.

**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;

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Antoine J. 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 of issuance.

For a description of the other terms and conditions of the merger, please see "The Merger Agreement" beginning on page 111 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) are expected to own approximately 3.4%, 96.3% and 0.2%, 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 all of the members of the Tellurian Investments board of directors. It is anticipated that, following the completion of the merger, the Magellan board of directors will have eight members.

**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 J. Lafargue; General Counsel, Daniel A. Belhumeur; 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

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in connection with the completion of the merger; (4) a proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) a proposal to ratify the appointment of EKS&H LLLP ( EKS&H ) as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

*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 1/3% 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), 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), and Magellan Proposal 5 (to ratify the appointment of EKS&H as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017) 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 1 is referred to as the merger proposal, 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.

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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 common 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.





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**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 106 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 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 the Magellan 2016 Plan* beginning on page 126 of this joint proxy statement/prospectus.

**Table of Contents****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:

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

Improvements of financial  
ratings

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 SEC under Section 14A of 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.

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**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 [ ], 2017, 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 [ ], 2017, 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

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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 [ ], 2017.

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 [ ], 2017.

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.

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 [ ], 2017.

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 [ ], 2017.

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.

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**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 J. 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

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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 of the Merger* beginning on page 143.

*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; (4) FOR the proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) FOR the ratification of the appointment of EKS&H as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

**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: Why did the parties amend the merger agreement? What will happen to the recently issued Tellurian Investments preferred stock in the merger?**

A: On November 23, 2016, Tellurian Investments issued to GE Oil & Gas, Inc., a Delaware corporation and subsidiary of General Electric Company ( GE ), 5,467,851 shares of Series A convertible preferred stock of Tellurian Investments (the Tellurian Investments Preferred Stock )

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for an aggregate purchase price of \$25 million. On the same date, Magellan, Tellurian Investments and Merger Sub entered into the first amendment to the merger agreement in order to permit the issuance of the Tellurian Investments Preferred Stock and to revise certain related representations of Tellurian Investments in the merger agreement. Tellurian Investments and Magellan believe that the issuance of the Tellurian Investments Preferred Stock will provide significant benefits to the combined company in terms of increased liquidity and ability to pursue Tellurian Investments Driftwood liquefied natural gas ( LNG ) project.

If the merger is completed, the Tellurian Investments Preferred Stock will remain outstanding as preferred stock of a subsidiary of Magellan. However, at that time, the Tellurian Investments Preferred Stock will become convertible in whole, but not in part, into shares of either Magellan common stock or a new series of Magellan convertible preferred stock (the Magellan Preferred Stock ), in each case on a one-for-one basis, subject to certain potential adjustments. The Magellan Preferred Stock will be convertible into shares of Magellan common stock on a one-for-one basis, subject to certain potential adjustments. Holders of the Tellurian Investments Preferred Stock will generally have the right to vote on matters submitted to a vote of Tellurian Investments stockholders but will not be entitled to vote on any proposal relating to the merger. The terms of the Tellurian Investments Preferred Stock and the Magellan Preferred Stock are summarized in Description of Magellan Capital Stock Magellan Preferred Stock and Tellurian Investments Preferred Stock.

In addition, on December 19, 2016, Tellurian Investments entered into a common stock purchase agreement with TOTAL Delaware, Inc. ( TOTAL ), a Delaware corporation and subsidiary of TOTAL S.A. Pursuant to the common stock purchase agreement, Tellurian Investments agreed to issue 35,384,615 shares of its common stock to TOTAL for an aggregate purchase price of approximately \$207 million (or \$5.85 per share) (the TOTAL Investment ). On the same date, the parties to the merger agreement further amended the merger agreement (i) to permit the issuance of Tellurian Investments common stock to TOTAL and revise related representations; (ii) to increase the maximum number of shares of Tellurian Investments common stock (or its equivalent) issuable to current and prospective employees of Tellurian Investments under the Tellurian Investments 2016 Omnibus Incentive Plan between August 2, 2016 and the closing of the merger from 10,000,000 to 13,000,000, (iii) to require Magellan to appoint one board designee of TOTAL to the board of directors of Magellan effective upon the closing of the merger, and (iv) to extend the Outside Date (as defined in the merger agreement) from January 31, 2017 to February 28, 2017, among other things. As with the investment by GE, Tellurian Investments and Magellan believe that the dramatically increased liquidity and capital resources resulting from the TOTAL Investment will provide significant benefits to the combined company. Completion of the TOTAL Investment is expected to occur on January 3, 2017, subject to the satisfaction of customary closing conditions.

### **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

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*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

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**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 169. 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 111.

**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 78.

**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 subsidiary of Magellan. The Tellurian Investments Preferred Stock will remain outstanding as preferred stock of the surviving corporation but will become convertible in whole, but not in part, into an equal number of shares of Magellan common stock or shares of a substantially similar class of Magellan

Preferred Stock.

See The Merger Agreement beginning on page 111.

**Reasons for the Merger**

*Magellan*: Each of the special committee of the Magellan board of directors (the Special Committee ) and the Magellan board of



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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 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 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

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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 78, The Merger Magellan's Reasons for the Merger; Recommendation of the Magellan Board of Directors and Special Committee beginning on page 85, and The Merger Tellurian Investments Reasons for the Merger; Recommendation of the Tellurian Investments Board of Directors beginning on page 98.

**Post-Merger Structure**

See the chart below. Following the merger, Tellurian Investments will be a direct subsidiary of Magellan. Despite Magellan being the



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parent entity following the merger, Tellurian Investments is the accounting acquirer for financial accounting purposes.

**GE and TOTAL Investments**

On November 23, 2016, Tellurian Investments issued to GE 5,467,851 shares of Tellurian Investments Preferred Stock for an aggregate purchase price of \$25 million. If the merger is completed, the Tellurian Investments Preferred Stock will remain outstanding as preferred stock of a subsidiary of Magellan. However, at that time, the Tellurian Investments Preferred Stock will become convertible in whole, but not in part, into shares of either Magellan common stock or Magellan Preferred Stock, in each case on a one-for-one basis, subject to certain potential adjustments. The Magellan Preferred Stock (if issued) will be convertible into shares of Magellan common stock on a one-for-one basis, subject to certain potential adjustments. The terms of the Tellurian Investments Preferred Stock and the Magellan Preferred Stock are summarized in Description of Magellan Capital Stock Magellan Preferred Stock and Tellurian Investments Preferred Stock.

In addition, on December 19, 2016, Tellurian Investments entered into a common stock purchase agreement with TOTAL. Pursuant to the common stock purchase agreement, Tellurian Investments agreed to issue 35,384,615 shares of its common stock to TOTAL for an aggregate purchase price of approximately \$207 million (or \$5.85 per share). Tellurian Investments agreed to provide TOTAL certain registration rights with respect to the purchased shares, and Magellan agreed that those rights would apply to shares of Magellan common stock issued to TOTAL in the merger. Also, Tellurian Investments agreed to provide TOTAL the right to designate one member of the Tellurian Investments board of directors, and Magellan agreed that this right will apply to the Magellan board of directors following completion of the merger. Completion of the TOTAL Investment is expected to occur on January 3, 2017, subject to the satisfaction of customary closing conditions. In connection with the common stock purchase agreement, following the closing of the merger, Magellan and TOTAL will enter into a pre-emptive

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rights agreement pursuant to which TOTAL will be granted a right to purchase its pro rata portion of any new equity securities that Magellan may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain excepted offerings.

**Date, Time and Place of the Meetings**

*The Magellan meeting:* [ ], 2017, 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 69.

*The Tellurian Investments meeting:* [ ], 2017, 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 74.

**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; (4) a proposal to approve the adjournment of the Magellan special meeting, if necessary or appropriate, to permit further solicitation of proxies; and (5) a proposal to ratify the appointment of EKS&H as the independent registered public accounting firm of Magellan for the fiscal year ending June 30, 2017.

See The Magellan Meeting Purpose of the Magellan Meeting beginning on page 69.

*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 74.

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**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 eight persons, seven of whom being nominees of Tellurian Investments and the eighth expected to be a designee of TOTAL (Jean Jaylet). Assuming completion of the TOTAL Investment, the directors of Magellan are expected to be:

Charif Souki  
Martin Houston  
Meg A. Gentle  
Michael Bock  
Dillon J. Ferguson  
Diana Derycz-Kessler  
Brooke A. Peterson  
Jean Jaylet

See The Merger Agreement Proposed Directors of the Combined Company beginning on page 123.

**Reconstituted Executive Officers of Magellan**

Concurrently with the closing of the merger, the executive officers of Magellan are expected to be:

Martin Houston, Executive Vice 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  
Daniel A. Belhumeur, General Counsel  
Christopher Daniels, 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 120.

**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 85.



**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 98.

**Regulatory Approvals**

None.

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**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 106. 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 respects;

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;

Antoine J. 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

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 of issuance.

See The Merger Agreement Conditions to the Completion of the Merger beginning on page 117.

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**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 87.

**Termination of the Merger Agreement** The merger agreement may be terminated:

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 February 28, 2017, 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

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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 118.

**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 February 28, 2017, 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 119.

**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

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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 119.

**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 of the Merger beginning on page 143.

**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 32 of this joint proxy statement/prospectus.

**Share Ownership of Magellan Directors and Executive Officers**

596,791 shares or 10.2% of the outstanding Magellan common stock.

**Share Ownership of Tellurian Investments Directors and Executive Officers**

62,190,000 shares or 42.9% of the Tellurian Investments common stock expected to be outstanding.

**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 J. 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;

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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 116.

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 Directors and Executive Officers in the Merger beginning on page 96.

**Interests of Executive Officers and Directors**

Certain executive officers and directors of Tellurian Investments possess unrestricted shares of Tellurian Investments common stock

**of Tellurian Investments in the Merger**

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

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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 98.

**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.

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**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 \$500 to \$600 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.

Below please find a map of the location and an artist s rendition of the proposed Driftwood LNG Project:

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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 32.

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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 December 27, 2016, the last full trading day for which such prices were available at the time of this joint proxy statement/prospectus.

<b>Date</b>	<b>Highest Sales Price Per Share</b>	<b>Lowest Sales Price Per Share</b>
August 2, 2016	\$1.22	\$1.14
December 27, 2016	\$10.40	\$9.14

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

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**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, 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;

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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.

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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.

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**RISK FACTORS**

*In addition to the other information included in 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. You should also read and consider the other information in this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 169.*

**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.

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***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 (which includes the issuance of 35,384,615 shares of Tellurian Investments common stock to be issued in connection with the TOTAL Investment), we estimate that Magellan will issue approximately 188,491,700 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 3.4%, 96.3% and 0.2%, respectively, of the combined company's outstanding common stock immediately following completion of the merger. In addition, if the Tellurian Investments Preferred Stock is converted into Magellan common stock, Magellan and Tellurian Investments stockholders and Petrie are expected to hold approximately 3.3%, 96.4% and 0.2%, respectively, of the combined company's outstanding common stock immediately following completion of the merger and conversion of the Tellurian Investments Preferred Stock into shares of Magellan common stock. Moreover, under the terms of the merger agreement, Tellurian Investments may issue up to approximately 3,522,000 additional shares of its common stock prior to the closing of the merger (representing approximately 4,578,600 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



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merger is successfully completed within its expected time frame. See The Merger Agreement Conditions to the Completion of the Merger beginning on page 117.

***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 115.

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.

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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 J. 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 116.

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

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than you may view it. See The Merger Interests of Magellan Directors and Executive Officers in the Merger beginning on page 96 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 of the Merger beginning on page 143.

***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 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-

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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 and Common Stock**

#### ***There is substantial doubt about Magellan's ability to continue as a going concern.***

Magellan has incurred losses from operations of \$5.3 million and \$2.2 million for the year ended June 30, 2016 and the quarter ended September 30, 2016, respectively. As of September 30, 2016, its cash balance was \$892 thousand. Magellan continues to experience liquidity constraints and since July 2015, has been selling certain of its assets to fund its operations, which has resulted in a significant reduction in Magellan's monthly cash burn rate. However, these liquidity constraints continue and proceeds from these asset sales may not provide sufficient liquidity to fund Magellan's operations for the next 12 months. As a result of these conditions and events, there is substantial doubt about Magellan's ability to continue as a going concern. The consolidated financial statements included in this joint proxy statement/prospectus do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might result from the outcome of this uncertainty.

Magellan believes that upon the closing of the merger, the combined company will be better positioned to raise capital to fund the combined company's operations due to the attributes of Tellurian's business plan and management. Therefore, Magellan believes that its ability to continue as a going concern in the short-term is subject to the closing of the merger, the primary condition of which closing is the approval by Magellan stockholders of the merger agreement that is expected to be sought in the first quarter of calendar year 2017. However, following the closing of the merger, the combined company may not be able to raise sufficient capital in a timely manner to fund the operations of the combined company. Should the merger not close, Magellan will need to pursue other alternatives in order to continue as a going concern.

#### ***Magellan's current liquidity position is very constrained.***

As of September 30, 2016, Magellan's cash balances amounted to approximately \$892 thousand, and Magellan currently has a monthly cash burn rate ranging between \$200 thousand and \$250 thousand, subject to potential increases related to transaction costs in connection with the merger. Accordingly, Magellan is facing liquidity constraints in the short term, and there is a substantial risk that Magellan will not be able to fund its activities beyond the anticipated closing of the merger. Although Magellan has been implementing cost savings initiatives to fund its activities, there is no assurance that those initiatives will be successful. For additional information, see "Financial Statements of Magellan Management's Discussion and Analysis of Financial Condition and Results of Operations of Magellan Consolidated Liquidity and Capital Resources" included in this joint proxy statement/prospectus.

#### ***Regulations related to hydraulic fracturing could result in increased costs and operating restrictions or delays that could affect the value of Magellan's assets.***

Hydraulic fracturing is an important and common practice that is used to stimulate production of hydrocarbons, particularly natural gas, from tight formations. The hydraulic fracturing process



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involves the injection of water, sand, and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. Magellan owns interests in the Horse Hill-1 well and related licenses in the Weald Basin, onshore United Kingdom. Although the U.K. government lifted a temporary moratorium on hydraulic fracturing in December 2012 and an Office of Unconventional Gas and Oil has been established in the United Kingdom to coordinate the related activities of various regulatory authorities, hydraulic fracturing remains a publicly controversial topic, with media and local community concerns regarding the use of fracturing fluids, impacts on drinking water supplies, and the potential for impacts to surface water, groundwater, and the environment generally. For example, local planning permission requirements in the United Kingdom may have the effect of restricting or delaying drilling activities in general or hydraulic fracturing in particular. If drilling activities are restricted or delayed or made more costly, the volumes of oil and natural gas that can be economically recovered could be reduced, which would adversely affect the value of Magellan's interests.

***Magellan's use of 2-D and 3-D seismic data is subject to interpretation and may not accurately identify the presence of oil and natural gas, which could adversely affect the results of Magellan's Australian NT/P82 prospect and other exploration and development activities.***

Magellan has incurred significant expenditures to acquire extensive 2-D and 3-D seismic data with respect to its NT/P82 exploration permit area in the Bonaparte Basin, offshore Northern Territory, Australia, and Magellan uses 2-D and 3-D seismic data in its other exploration and development activities. Even when properly used and interpreted, 2-D and 3-D seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators, and do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. In addition, the use of 3-D seismic and other advanced technologies requires greater predrilling expenditures than traditional drilling strategies, and Magellan could incur losses as a result of such expenditures. As a result, Magellan's drilling activities may not be successful or economical.

***Magellan may not be successful in sharing the exploration and development costs of the fields, licenses, and permits in which it holds interests, such as Magellan's Australian NT/P82 prospect.***

During the fiscal year ended June 30, 2016, Magellan tried to sell or farmout its 100% interest in the NT/P82 Exploration Permit in the Bonaparte Basin, offshore Northern Territory, Australia, with the support of its financial advisor for this matter, RFC Ambrian. Magellan was unsuccessful in executing a potential transaction, which Magellan believes was due to (i) the weak commodity price environment and material reduction in current export LNG prices in Australia, which are believed to have resulted in a significant reduction in exploration budgets of large companies operating in the area and (ii) the short remaining term of the license, which was due to expire by May 12, 2016, unless the work requirements of the license had been met. In April 2016, Magellan applied to the National Offshore Petroleum Titles Administrator (NOPTA) to extend the permit term by 18 months to allow the varied minimum work condition to be undertaken. On June 29, 2016, NOPTA informed Magellan that the Commonwealth-Northern Territory Offshore Petroleum Joint Authority approved these variations, and the term of the license is now due to end on November 12, 2017. If Magellan is not able to secure a farm-in, farmout, or other arrangement in a timely manner, or on terms which are economically attractive to it, Magellan may be forced to bear higher exploration and development costs with respect to its licenses and permits, in which case Magellan's results of operations, financial condition, and cash flows could be adversely affected and the market price of Magellan common stock could decline.

**Table of Contents*****Magellan may not realize the expected value and potential liquidity from its investments in Central Petroleum Limited ( Central ) and UK Oil and Gas Investments PLC ( UKOG ).***

On March 31, 2014, Magellan sold its non-core assets in the Amadeus Basin of Australia to Central, in exchange for AUD \$20.0 million in cash and 39.5 million shares of Central's stock, which are listed for trading on the Australian Securities Exchange ( ASX ) and which represented an approximately 11% equity ownership interest in Central. Under the terms of the agreement for that transaction, the Central shares were valued at AUD \$15.0 million. As of September 30, 2016, Magellan held approximately 8.2 million Central shares, which represented an approximately 1.9% equity ownership interest in Central and were carried on Magellan's consolidated balance sheet at a fair value of \$0.7 million, based on the closing per share market price for Central stock as reported on the ASX on that date and applicable foreign currency translation adjustments. On August 11, 2016, the transactions contemplated by the Asset Transfer Agreement relating to the sale to UKOG of the 50% interest of Magellan Petroleum (UK) Limited ( MPUK ) in Petroleum Exploration and Development Licenses ( PEDLs ) 231, 234, and 243 (the Weald ATA ) and the Asset Transfer Agreement relating to the sale to UKOG of MPUK's 22.5% interest in the Offshore Petroleum License P1916 (the IoW ATA ) closed and the Settlement Agreement with Celtique Energie Weald Ltd ( Celtique ) became effective, resulting in the net issuance to Magellan of approximately 50.9 million shares of UKOG, which shares are listed for trading on the Alternative Investment Market of the London Stock Exchange and at the time of closing represented an approximately 2.0% equity ownership in UKOG and were worth approximately GBP 703 thousand.

Central is a Brisbane, Australia-based junior exploration and production company that operates one of the largest holdings of prospective onshore acreage in Australia. UKOG is a London-based oil and gas company focused in the Weald Basin in southern England. Accordingly, each of Central and UKOG and the value of its respective stock is subject to similar business, industry, and oil and natural gas price fluctuation risk factors that Magellan is subject to, as well as each of Central's and UKOG's own particular risk factors based on its current circumstances and operating areas in Australia and England, respectively. As a result, or for other reasons, the market price of Central or UKOG stock may experience significant fluctuations, including significant decreases. Magellan does not control Central or UKOG, and Magellan's investment is subject to the risk that Central or UKOG may make business, financial, or management decisions with which Magellan does not agree. Although the shares of Central and UKOG that Magellan holds are not restricted and may be sold on the ASX or Alternative Investment Market of the London Stock Exchange, respectively, the average daily trading volumes for Central and UKOG stock relative to the number of Central or UKOG shares that Magellan holds may mean that Magellan's Central or UKOG shares would need to be sold over a substantial period of time, exposing Magellan's investment return to risks of downward movement in the market price during the intended disposition period. Accordingly, Magellan may ultimately realize a lower value and potential liquidity from its investments in Central and UKOG than Magellan expects.

***Exploration and development drilling may not result in commercially producible reserves.***

Crude oil and natural gas drilling and production activities are subject to numerous risks, including the risk that no commercially producible crude oil or natural gas will be found. The cost of drilling and completing wells is often uncertain, and crude oil or natural gas drilling and production activities may be shortened, delayed, or canceled as a result of a variety of factors, many of which are beyond Magellan's control. These factors include:

unexpected drilling conditions;

title problems;





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disputes with owners or holders of surface interests on or near areas where Magellan intends to drill;

pressure or geologic irregularities in formations;

engineering and construction delays;

equipment failures or accidents;

adverse weather conditions;

compliance with environmental and other governmental requirements; and

shortages or delays in the availability of or increases in the cost of drilling rigs and crews, equipment, pipe, water, and other supplies.

The prevailing prices for crude oil and natural gas affect the cost of, and demand for, drilling rigs, completion and production equipment, and other related services. However, changes in costs may not occur simultaneously with corresponding changes in commodity prices. The availability of drilling rigs can vary significantly from region to region at any particular time. Although land drilling rigs can be moved from one region to another in response to changes in levels of demand, an undersupply of rigs in any region may result in drilling delays and higher drilling costs for the rigs that are available in that region. In addition, general and industry economic and financial downturns can adversely affect the financial condition of some drilling contractors, which may constrain the availability of drilling services in some areas.

Another significant risk inherent in drilling plans is the need to obtain drilling permits from state, local, and other governmental authorities. Delays in obtaining regulatory approvals and drilling permits, including delays that jeopardize Magellan's ability to realize the potential benefits from leased or licensed properties within the applicable lease or license periods, the failure to obtain a drilling permit for a well, or the receipt of a permit with unreasonable conditions or costs could have a material adverse effect on Magellan's ability to explore on or develop the properties Magellan has or may acquire.

The wells Magellan drills may not be productive, and Magellan may not recover all or any portion of its investment in such wells. The seismic data and other technologies Magellan uses do not allow it to know conclusively prior to drilling a well if crude oil or natural gas is present, or whether it can be produced economically. The cost of drilling, completing, and operating a well is often uncertain, and cost factors can adversely affect the economics of a project. Drilling activities can result in dry holes or wells that are productive but do not produce sufficient net revenues after operating and other costs to cover initial drilling and completion costs.

Magellan's future drilling activities may not be successful. Although Magellan has identified potential drilling locations, it may not be able to economically produce oil or natural gas from them.

***The loss of key personnel could adversely affect Magellan's ability to operate.***

Magellan depends, and will continue to depend in the foreseeable future, on the services of its chief executive officer and other key personnel. The ability to retain officers and key employees is important to Magellan's success and growth. The unexpected loss of the services of one or more of these individuals could have a detrimental effect on Magellan's business. If Magellan cannot retain its

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technical personnel or attract additional experienced technical personnel and professionals, its ability to compete could be harmed.

### ***Magellan has limited management and staff and is dependent upon partnering arrangements.***

Magellan had four total employees as of September 30, 2016. Due to Magellan's limited number of employees, it expects that it will continue to require the services of independent consultants and contractors to perform various professional services, including reservoir engineering, land, legal, environmental, and tax services. Magellan also plans to pursue alliances with partners in the areas of geological and geophysical services and prospect generation, evaluation, and prospect leasing. Magellan's dependence on third-party consultants and service providers creates a number of risks, including but not limited to:

the possibility that such third parties may not be available to Magellan as and when needed; and

the risk that Magellan may not be able to properly control the timing and quality of work conducted with respect to its projects.

If Magellan experiences significant delays in obtaining the services of such third parties or poor performance by such parties, its results of operations may be materially adversely affected.

### ***There are risks inherent in foreign operations and investments, such as adverse changes in currency values and foreign regulations relating to MPUK's, Magellan Petroleum Australia Pty Ltd's, and Central's exploration and development operations, and potential taxes or restrictions on dividends to Magellan from foreign subsidiaries or investments.***

The properties in which Magellan has operating or investment interests that are located outside the United States are subject to certain risks related to the indirect ownership and development of, or investment in, foreign properties, including government expropriation and nationalization, adverse changes in currency values and foreign exchange controls, foreign taxes, U.S. taxes on the repatriation of funds to the United States, and other laws and regulations, any of which may have a material adverse effect on Magellan's properties, investments, financial condition, results of operations, or cash flows. Although there are currently no foreign exchange controls on the payment of dividends to Magellan by its subsidiaries or other entities in which it has invested, such payments could be restricted by foreign exchange controls, if implemented.

### ***Oil and natural gas prices are volatile. Further declines in prices could adversely affect Magellan's financial condition, results of operations, cash flows, access to capital, and ability to grow.***

Magellan's results of operations, future rate of growth, and the carrying value of Magellan's oil and gas properties depend heavily on the prices Magellan receives for any crude oil and natural gas Magellan sells. Prices also affect the amount of cash flow available for capital expenditures and Magellan's ability to borrow money or raise additional capital. The markets for crude oil and natural gas have historically been, and are likely to continue to be, volatile and subject to wide fluctuations in response to numerous factors, including the following:

worldwide and domestic supplies of oil and gas, and the productive capacity of the oil and gas industry as a whole;

changes in the supply and the level of consumer demand for such fuels;

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overall global and domestic economic conditions;

political conditions in oil, natural gas, and other fuel-producing and fuel-consuming areas;

the extent of U.K. and Australian domestic oil and gas production and the consumption and importation of such fuels and substitute fuels in U.K., Australian, and other relevant markets;

the availability and capacity of gathering, transportation, processing, and/or refining facilities in regional or localized areas that may affect the realized price for crude oil or natural gas;

the price and level of foreign imports of crude oil, refined petroleum products, and LNG;

weather conditions, including effects of weather conditions on prices and supplies in worldwide energy markets;

technological advances affecting energy consumption and conservation;

the ability of the members of the Organization of Petroleum Exporting Countries and other exporting countries to agree to and maintain crude oil prices and production controls;

the competitive position of each such fuel as a source of energy as compared to other energy sources;

strengthening and weakening of the U.S. dollar relative to other currencies; and

the effect of governmental regulations and taxes on the production, transportation, and sale of oil, natural gas, and other fuels.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and gas price movements with any certainty, but in general Magellan expects oil and gas prices to continue to fluctuate significantly.

Further and sustained declines in oil and gas prices could reduce the amount of oil and gas that Magellan can produce economically and, as a result, could have a material adverse effect on Magellan's financial condition, results of operations, and cash flows. Further, oil and gas prices do not necessarily move in tandem. Future oil and gas sales would generate lower revenue if oil and natural gas prices were to continue to decline. Prices for sales of oil production are primarily affected by global oil prices, and the volatility of those prices will affect future oil revenues.

***Competition in the oil and natural gas industry is intense, and many of Magellan's competitors have greater financial, technical, and other resources than Magellan does.***

Magellan faces intense competition from major oil and gas companies and independent oil and gas exploration and production companies that seek oil and gas investments throughout the world, as well as the equipment, expertise, labor, and materials required to explore, develop, and operate crude oil and natural gas properties. Many of Magellan's competitors have financial, technical, and other resources vastly exceeding those available to Magellan, and many crude oil and natural gas properties are sold in a competitive bidding process in which Magellan's competitors may be able and willing to pay more for development prospects and productive properties, or in which Magellan's competitors

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have technological information or expertise that is not available to Magellan to evaluate and successfully bid for the properties. In addition, shortages of equipment, labor, or materials as a result of intense competition may result in increased costs or the inability to obtain those resources as needed. Magellan may not be successful in acquiring, exploring, and developing profitable properties in the face of this competition.

Magellan also competes for human resources. Over the last several years, the number of talented people available across all disciplines in the industry has not grown significantly, and in many cases, is declining due to the demographics of the industry.

***Magellan's acquisition of or investments in new oil and gas properties or other assets may not be worth what Magellan pays due to uncertainties in evaluating recoverable reserves and other expected benefits, as well as potential liabilities.***

Successful property or other acquisitions or investments require an assessment of a number of factors sometimes beyond Magellan's control. These factors include exploration potential, future crude oil and natural gas prices, operating costs, and potential environmental and other liabilities. These assessments are not precise, and their accuracy is inherently uncertain.

In connection with Magellan's acquisitions or investments, Magellan typically performs a customary review of the properties that will not necessarily reveal all existing or potential problems. In addition, Magellan's review may not allow it to fully assess the potential deficiencies of the properties. Magellan does not inspect every well, and even when Magellan inspects a well, Magellan may not discover structural, subsurface, or environmental problems that may exist or arise. Magellan may not be entitled to contractual indemnification for pre-closing liabilities, including environmental liabilities. Normally, Magellan acquires interests or otherwise invests in properties on an as-is basis with limited remedies for breaches of representations and warranties.

In addition, significant acquisitions can change the nature of Magellan's operations and business if the acquired properties have substantially different operating and geological characteristics or are in different geographic locations or business sectors than Magellan's existing properties or business. To the extent acquired properties are substantially different than Magellan's existing properties or business, Magellan's ability to efficiently realize the expected economic benefits of such acquisitions may be limited.

Integrating acquired properties involves a number of other special risks, including the risk that management may be distracted from normal business concerns by the need to integrate operations and systems as well as retain and assimilate additional employees. Therefore, Magellan may not be able to realize all of the anticipated benefits of its acquisitions.

These factors could have a material adverse effect on Magellan's business, financial condition, results of operations, and cash flows. Consideration paid for any future acquisitions or investments could include Magellan stock or require that Magellan incur additional debt and contingent liabilities. As a result, future acquisitions or investments could cause dilution of existing equity interests and earnings per share.

***Magellan's operations are subject to complex laws and regulations, including environmental laws and regulations that result in substantial costs and other risks.***

U.K. and Australian governmental authorities extensively regulate the oil and natural gas industry. Legislation and regulations affecting the industry are under constant review for amendment or





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expansion, raising the possibility of changes that may become more stringent and, as a result, may affect, among other things, the pricing or marketing of crude oil and natural gas production. Noncompliance with statutes and regulations and more vigorous enforcement of such statutes and regulations by regulatory agencies may lead to substantial administrative, civil, and criminal penalties, including the assessment of natural resource damages, the imposition of significant investigatory and remedial obligations, and may also result in the suspension or termination of Magellan's operations. The overall regulatory burden on the industry increases the cost to place, design, drill, complete, install, operate, and abandon wells and related facilities and, in turn, decreases profitability.

Governmental authorities regulate various aspects of drilling for and the production of crude oil and natural gas, including the permit and bonding requirements of drilling wells, the spacing of wells, the unitization or pooling of interests in crude oil and natural gas properties, rights-of-way and easements, environmental matters, occupational health and safety, the sharing of markets, production limitations, plugging, abandonment, and restoration standards, and oil and gas operations. Public interest in environmental protection has increased in recent years, and environmental organizations have opposed, with some success, certain projects. Under certain circumstances, regulatory authorities may deny a proposed permit or right-of-way or impose conditions of approval to mitigate potential environmental impacts, which could, in either case, negatively affect Magellan's ability to explore or develop certain properties. Governmental authorities also may require any of Magellan's ongoing or planned operations on their leases or licenses to be delayed, suspended, or terminated. Any such delay, suspension, or termination could have a material adverse effect on Magellan's operations.

Magellan's operations are also subject to complex and constantly changing environmental laws and regulations adopted by governmental authorities in jurisdictions where Magellan is engaged in exploration or production operations. New laws or regulations, or changes to current requirements, could result in material costs or claims with respect to properties Magellan owns or has owned. Magellan will continue to be subject to uncertainty associated with new regulatory interpretations and inconsistent interpretations between various regulatory agencies. Under existing or future environmental laws and regulations, Magellan could incur significant liability, including joint and several liability or strict liability under environmental laws for noise emissions and for discharges of crude oil, natural gas, and associated liquids or other pollutants into the air, soil, surface water, or groundwater. Magellan could be required to spend substantial amounts on investigations, litigation, and remediation for these discharges and other compliance issues. Any unpermitted release of petroleum or other pollutants from Magellan's operations could result not only in cleanup costs but also natural resources, real or personal property, and other compensatory damages and civil and criminal liability. Existing environmental laws or regulations, as currently interpreted or enforced, or as they may be interpreted, enforced, or altered in the future, may have a material adverse effect on Magellan.

***Legislative and regulatory initiatives related to global warming and climate change could have an adverse effect on Magellan's operations and the demand for crude oil and natural gas.***

Due to concerns about the risks of global warming and climate change, a number of various national and regional legislative and regulatory initiatives to limit greenhouse gas emissions are currently in various stages of discussion or implementation. Legislative and regulatory programs to reduce emissions of greenhouse gases could require Magellan to incur substantially increased capital, operating, maintenance, and compliance costs, such as costs to purchase and operate emissions control systems, costs to acquire emissions allowances, and costs to comply with new regulatory or reporting requirements. Any such legislative or regulatory programs could also increase the cost of consuming,

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and thereby reduce demand for, the oil and natural gas Magellan produces. Consequently, legislative and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on Magellan's business, financial condition, results of operations, and cash flows.

In addition, there has been public discussion that climate change may be associated with more extreme weather conditions, such as increased frequency and severity of storms, droughts, and floods. Extreme weather conditions can interfere with Magellan's development and production activities, increase Magellan's costs of operations or reduce the efficiency of Magellan's operations, and potentially increase costs for insurance coverage in the aftermath of such conditions. Significant physical effects of climate change could also have an indirect effect on Magellan's financing and operations by disrupting the transportation or process related services provided by midstream companies, service companies, or suppliers with whom Magellan has a business relationship. Magellan may not be able to recover through insurance some or any of the damages, losses, or costs that may result from potential physical effects of climate change.

***Magellan's estimated reserves as of June 30, 2016 are based on many assumptions that may turn out to be inaccurate. Any significant inaccuracies in these reserve estimates or underlying assumptions may materially affect the quantities and present value of such reserves.***

This joint proxy statement/prospectus contains estimates of Magellan's proved and probable reserves and the estimated future net revenues from Magellan's proved reserves as of June 30, 2016. All of Magellan's reserves are related to the proved oil and gas properties of Poplar. As a result of the closing of the exchange with One Stone Holdings II LP (One Stone) on August 1, 2016, all of Magellan's reserves were disposed of as of that date. In any case, the reserve estimates are based upon various assumptions, including assumptions required by the SEC relating to oil and gas prices, drilling and operating expenses, capital expenditures, taxes, and availability of funds. The process of estimating oil and gas reserves is complex. The process involves significant decisions and assumptions in the evaluation of available geological, geophysical, engineering, and economic data for each reservoir. Actual future production, oil and gas prices, revenues, taxes, development expenditures, operating expenses, and quantities of recoverable oil and gas reserves will most likely vary from these estimates. Any significant variation of any nature could materially affect the estimated quantities and present value of Magellan's proved reserves, and the actual quantities and present value may be significantly less than Magellan has previously estimated. Estimates of proved reserves may be adjusted to reflect production history, results of exploration and development drilling, prevailing oil and natural gas prices, costs to develop and operate properties, and other factors, many of which are beyond Magellan's control. In addition, Magellan's properties may also be susceptible to hydrocarbon drainage from production by operators on adjacent properties. Probable reserves are less certain to be recovered than proved reserves.

The present value of future net cash flows from Magellan's proved reserves is not necessarily the same as the current market value of Magellan's estimated oil and natural gas reserves. Magellan bases the estimated discounted future net cash flows from Magellan's proved reserves on the average, first-day-of-the-month price during the 12-month period preceding the measurement date, in accordance with SEC rules. However, actual future net cash flows from Magellan's oil and natural gas properties also will be affected by factors such as:

actual prices Magellan receives for oil and natural gas;

actual costs of development and production expenditures;



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the amount and timing of actual production;

supply of and demand for oil and natural gas; and

changes in governmental regulations or taxation, including severance and excise taxes.

The timing of production from oil and natural gas properties and of related expenses affects the timing of actual future net cash flows from proved reserves, and thus their actual present value. In addition, the 10% discount factor required by the SEC to be used to calculate discounted future net cash flows for reporting purposes may not be the most appropriate discount factor in view of actual interest rates, costs of capital, and other risks to which Magellan's business or the oil and natural gas industry in general are subject.

***SEC rules could limit Magellan's ability to book proved undeveloped reserves in the future.***

SEC rules require that, subject to limited exceptions, proved undeveloped reserves may only be booked if they relate to wells scheduled to be drilled within five years after the date of booking. This requirement has limited and may continue to limit in the future Magellan's ability to book proved undeveloped reserves as Magellan pursues drilling programs on Magellan's undeveloped properties.

***Substantial capital is required for Magellan's business and projects.***

Magellan's exploration, development, and acquisition activities require substantial capital expenditures. Historically, Magellan has funded its capital expenditures through a combination of cash flows from operations, farming-in other companies or investors to Magellan's exploration and development projects in which Magellan has an interest, sales of non-core assets, and/or debt or equity financings. Future cash flows are subject to a number of variables, such as the level of production from existing wells, prices for oil and natural gas, and Magellan's success in developing and producing new reserves. If Magellan's cash flows from operations are not sufficient to fund its planned capital expenditures, Magellan must reduce its capital expenditures unless it can raise additional capital through debt, equity, or other financings, the divestment of assets or farm-in, farmout or other arrangements. Debt or equity financing may not always be available to Magellan in sufficient amounts or on acceptable terms, the proceeds offered to Magellan for potential divestitures may not always be of acceptable value to it, and farm-in, farmout or other arrangements may not be available to Magellan on terms which are economically attractive to it, or at all.

***If Magellan is not able to replace reserves, it will not be able to generate production.***

All of Magellan's reserves as of June 30, 2016 are related to the proved oil and gas properties of Poplar. As a result of the closing of the One Stone exchange on August 1, 2016, all of Magellan's reserves were disposed of as of that date. Magellan's future success depends, in part, upon its ability to find, develop, or acquire additional oil and gas reserves that are economically recoverable. Recovery of any additional reserves will require significant capital expenditures and successful drilling operations. Magellan may not be able to successfully find and produce reserves economically in the future. In addition, Magellan may not be able to acquire proved or probable reserves at acceptable costs.

***Future price declines may result in further write-downs of Magellan's asset carrying values.***

Magellan follows the successful efforts method of accounting for its oil and gas operations. Under this method, all property acquisition costs and costs of exploratory and development wells are



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capitalized when incurred, pending determination of whether proved reserves have been discovered. If proved reserves are not discovered with an exploratory well, the costs of drilling the well are expensed.

The capitalized costs of Magellan's oil and natural gas properties, on a depletion pool basis, cannot exceed the estimated undiscounted future net cash flows of that depletion pool. If net capitalized costs exceed undiscounted future net revenues, Magellan generally must write down the costs of each depletion pool to the estimated fair value (discounted future net cash flows of that depletion pool). For example, in the fiscal year ended June 30, 2016, as a result of significant declines in oil commodity prices, Magellan incurred an impairment loss of \$7.8 million on its proved oil and gas properties included in discontinued operations. Although only \$335 thousand of capitalized well costs remain as of September 30, 2016, a further significant decline in oil or natural gas prices from current levels, or other factors, could cause a further impairment write-down of capitalized costs and a non-cash charge against future earnings. Once incurred, a write-down of capitalized assets cannot be reversed at a later date, even if oil or natural gas prices increase.

### ***Oil and gas drilling and production operations are hazardous and expose Magellan to environmental liabilities.***

Oil and gas operations are subject to many risks, including well blowouts, cratering and explosions, pipe failure, fires, formations with abnormal pressures, uncontrollable flows of oil, natural gas, brine, or well fluids, and other environmental hazards and risks. Drilling operations involve risks from high pressures and from mechanical difficulties such as stuck pipes, collapsed casings, and separated cables. If any of these or similar events occur, Magellan could sustain substantial losses as a result of:

injury or loss of life;

severe damage to, or destruction of, property, natural resources, and equipment;

pollution or other environmental damage;

clean-up responsibilities;

regulatory investigations and penalties; and

suspension of operations.

Magellan's liability for environmental hazards may include those created either by the previous owners of properties that Magellan purchases, leases, or licenses, or by acquired companies prior to the date Magellan acquires them. Magellan maintains insurance against some, but not all, of the risks described above. Magellan's insurance may not be adequate to cover casualty losses or liabilities, and in the future, Magellan may not be able to obtain insurance at premium levels that justify its purchase.

### ***Weakness in economic conditions or uncertainty in financial markets may have material adverse impacts on Magellan's business that it cannot predict.***

In recent years, the U.S., U.K., Australian, and global economies and financial systems have experienced turmoil and upheaval characterized by extreme volatility and declines in prices of securities, diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse, or sale of financial institutions, increased levels of unemployment, and an



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unprecedented level of government intervention. Although some portions of the economy appear to have stabilized and may be recovering, the extent and timing of a recovery, and whether it can be sustained, are uncertain. Renewed weakness in the U.K., Australian, or other large economies could materially adversely affect Magellan's business, financial condition, results of operations, and cash flows.

In addition, some of Magellan's oil and gas properties in the United Kingdom are operated by third parties that Magellan depends on for timely performance of drilling and other contractual obligations and, in some cases, for distribution to Magellan of its proportionate share of revenues from sales of oil and natural gas production. If weak economic conditions adversely impact Magellan's third-party operators, Magellan is exposed to the risk that drilling operations or revenue disbursements to it could be delayed or suspended.

### ***Magellan has limited control over the activities on properties it does not operate.***

Some of the U.K. properties in which Magellan has an ownership interest are operated by other companies. As a result, Magellan has limited ability to exercise influence over, and control the risks associated with, the development and operation of those properties. The timing and success of drilling and development activities on those properties depends on a number of factors outside of Magellan's control, including the operator's:

determination of the nature and timing of flow test, drilling and operational activities;

determination of the timing and amount of capital expenditures;

expertise and financial resources;

approval of other participants in drilling wells; and

selection of suitable technology.

The failure of an operator of Magellan's properties to adequately perform development and operational activities, an operator's breach of the applicable agreements, or an operator's failure to act in ways that are in Magellan's best interests could reduce production, revenues, and reserves, and have a material adverse effect on Magellan's financial condition, results of operations, and cash flows.

### ***Currency exchange rate fluctuations may negatively affect Magellan's operating results.***

The exchange rates between the U.S. dollar and the British pound, as well as the exchange rates between the Australian dollar and the U.S. dollar, have fluctuated in recent periods and may fluctuate substantially in the future. Because of Magellan's U.K. development program, a portion of Magellan's expenses, including exploration costs and capital and operating expenditures, will continue to be denominated in British pounds. Accordingly, any material appreciation of the British pound against the U.S. dollar could have a negative impact on Magellan's results of operations and financial condition. Magellan's foreign exchange transaction loss for the fiscal year ended June 30, 2016, was \$234 thousand and is included under general and administrative expenses in the consolidated statement of operations.



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***Proposed changes to U.S. tax laws, if adopted, could have an adverse effect on Magellan's business, financial condition, results of operations, and cash flows.***

The U.S. President's budget proposals have included recommendations that would, if enacted, make significant changes to U.S. tax laws applicable to oil and natural gas exploration and production companies, and legislation has been previously introduced in the U.S. Congress that would implement many of these proposals. These proposed changes include, but are not limited to:

eliminating the current deduction for intangible drilling and development costs;

eliminating the deduction for certain U.S. production activities for oil and natural gas production;

repealing the percentage depletion allowance for oil and natural gas properties; and

extending the amortization period for certain geological and geophysical expenditures.

These proposed changes in the U.S. tax laws, if adopted, or other similar changes that reduce or eliminate deductions currently available with respect to oil and natural gas exploration and development, could adversely affect Magellan's business, financial condition, results of operations, and cash flows.

***Certain of Magellan's interests in the United Kingdom and Australia are subject to licenses that could be forfeited if certain drilling requirements are not met.***

Magellan owns certain interests in the United Kingdom that are subject to licenses issued by the Secretary of State for Energy and Climate Change under the U.K. Petroleum Act 1998. In addition, Magellan owns a 100% interest in the NT/P82 Exploration Permit in the Bonaparte Basin, offshore Northern Territory, Australia, issued by the Commonwealth-Northern Territory Offshore Petroleum Joint Authority that is subject to certain terms. In order to retain the interests granted by the licenses and permit, Magellan is required to meet certain drilling, expenditure or seismic requirements. If the applicable requirements are not met or waived, the interests granted by the licenses or permit must be forfeited.

In the United Kingdom, with respect to PEDLs 137 and 246, Magellan and its partners negotiated with the U.K. Oil and Gas Authority ( OGA ) an amendment to the terms of the licenses, whereby for PEDL 137, the expiration of the second exploration term was extended to September 30, 2016, and for PEDL 246, the expiration of the initial exploration term was extended to June 30, 2016, and the expiration of the second exploration term was extended to June 30, 2019. Following the successful results of the flow test at the HH-1, the OGA and Secretary of State approved the work plan for each of these licenses (extending the expiration dates for PEDLs 137 and 246 to June 30, 2018 and June 30, 2017, respectively) and the creation of retention areas covering the entire geographic area of them, which retention areas effectively replace the second term of the licenses.

In the case of the Australian NT/P82 prospect, the term of the license was due to expire by May 12, 2016, unless the work requirements of the license had been met. In April 2016, Magellan applied to the NOPTA to extend the permit term by 18 months to allow the minimum work condition to be undertaken. On June 29, 2016, NOPTA informed Magellan that the Commonwealth-Northern Territory Offshore Petroleum Joint Authority approved the extension of

the term of the license to November 12, 2017.

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***Conservation measures and technological advances could reduce demand for oil and natural gas.***

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. The impact of changing demand for oil and natural gas may have a material adverse effect on Magellan's business, financial condition, results of operations, and cash flows.

***The market price of Magellan common stock may fluctuate significantly, which may make certain projects uneconomical and/or result in losses for investors.***

During the past several years, the stock markets in general and for oil and gas exploration and production companies in particular have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating results and asset values of the underlying companies. In addition, due to relatively low trading volumes for Magellan common stock, the market price for Magellan common stock may fluctuate significantly more than the markets as a whole. The market price of Magellan common stock could fluctuate widely in response to a variety of factors, including factors beyond Magellan's control. These factors include:

changes in crude oil or natural gas commodity prices;

Magellan's quarterly or annual operating results;

investment recommendations by securities analysts following Magellan's business or Magellan's industry;

additions or departures of key personnel;

changes in the business, earnings estimates, or market perceptions of comparable companies;

changes in industry, general market, or regional or global economic conditions; and

announcements of legislative or regulatory changes affecting Magellan's business or Magellan's industry. Fluctuations in the market price of Magellan common stock may be significant and may make certain projects uneconomical and/or result in losses for investors.

***Magellan may issue a significant number of shares of common stock under outstanding stock options and future equity awards under the Magellan 2012 Plan, and common stockholders may be adversely affected by the issuance and sale of those shares.***

As of September 30, 2016, Magellan had 726,973 stock options outstanding, of which 720,723 were fully vested and exercisable. As of that date, there were 67,471 shares of common stock remaining available for future awards under the Magellan 2012 Plan. If all of the 726,973 outstanding stock options, which have exercise prices ranging from

\$6.32 to \$17.92 per share, are exercised, the shares of common stock issued would represent approximately 11% of the outstanding shares of common stock. Sales of those shares could adversely affect the market price of Magellan common stock, even if Magellan's business is doing well.

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***If Magellan common stock is delisted from the NASDAQ Capital Market, its liquidity and value could be reduced.***

In order for Magellan to maintain the listing of its shares of common stock on the NASDAQ Capital Market, Magellan's stockholders' equity must meet the minimum \$2.5 million required for continued listing on the NASDAQ Capital Market pursuant to NASDAQ Stock Market Rule 5550(b)(1). On May 17, 2016, Magellan received a letter from the Listing Qualifications Department of the NASDAQ Stock Market indicating that Magellan's stockholders' equity as reported in Magellan's quarterly report on Form 10-Q for the period ended March 31, 2016 did not meet the minimum \$2.5 million required for continued listing. After Magellan submitted a plan to the NASDAQ Stock Market to regain compliance, on July 29, 2016, Magellan received a letter from the Listing Qualifications Department of the NASDAQ Stock Market indicating that it had determined to grant Magellan an extension until October 14, 2016 to regain compliance with Rule 5550(b). In the letter dated July 29, 2016, the Listing Qualifications Department indicated that any future business combination with a non-NASDAQ entity would likely be considered a change of control of Magellan, which would require the post-combination company to apply for initial listing on the NASDAQ Capital Market and meet all applicable initial listing criteria. On October 18, 2016, Magellan received a letter from the Listing Qualifications Department of the NASDAQ Stock Market indicating that (i) based on the Annual Report on Form 10-K filed by Magellan for its fiscal year ended June 30, 2016, which included a pro forma consolidated balance sheet evidencing stockholders' equity of \$3.7 million, Magellan had regained compliance with NASDAQ Stock Market Rule 5550(b)(1), and (ii) if Magellan fails to evidence compliance upon filing its next periodic report, it may be subject to delisting.

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

If Magellan common stock were delisted from trading on the NASDAQ Capital Market, it may be eligible for trading on the OTCQB, but the delisting of Magellan common stock could adversely impact the liquidity and value of Magellan common stock and Magellan's ability to raise capital or consummate the merger.

***The reverse stock split of Magellan common stock may have reduced and may continue to limit the market trading liquidity of the shares due to the reduced number of shares outstanding, and may potentially have an anti-takeover effect.***

In July 2015, Magellan effected a one share-for-eight shares reverse stock split of common stock in order to increase the bid price to more than \$1.00 per share and thus maintain the listing for Magellan common stock on the NASDAQ Capital Market. Although the reverse stock split was intended to avoid decreased liquidity for the shares in the event of a delisting from the NASDAQ Capital Market, the liquidity of the shares may be adversely affected by the reverse stock split as a result of the reduced number of shares outstanding following the reverse stock split. In addition, the reverse stock split may have increased the number of stockholders who own odd lots (less than 100 shares) of Magellan common stock, creating the potential for such stockholders to experience an increase in the cost of selling their shares and greater difficulty effecting such sales. Further, since the stockholder-approved reverse stock split was accomplished without a corresponding reduction in the number of shares authorized for issuance under Magellan's certificate of incorporation, the relative

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increase in the number of shares authorized for issuance could, under certain circumstances, have an anti-takeover effect by enabling the Magellan board of directors to issue additional shares of common stock in a transaction making it more difficult for a party to obtain control of Magellan by tender offer or other means.

***Magellan does not intend to pay cash dividends on its common stock in the foreseeable future, and therefore only appreciation of the price of Magellan common stock will provide a return to Magellan common stockholders.***

Magellan currently anticipates that it will retain future earnings, if any, to reduce its accumulated deficit and finance the growth and development of Magellan's business. Any future determination as to the declaration and payment of cash dividends on Magellan common stock will be at the discretion of the Magellan board of directors and will depend upon Magellan's financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and any other factors that Magellan's board determines to be relevant. As a result, only appreciation of the price of Magellan common stock, which may not occur, will provide a return to Magellan common stockholders.

***Provisions in Magellan's charter documents and Delaware law make it more difficult to effect a change in control of Magellan, which could prevent stockholders from receiving a takeover premium on their investment.***

Magellan is a Delaware corporation, and the anti-takeover provisions of Delaware law impose various barriers to the ability of a third-party to acquire control of Magellan, even if a change of control would be attractive to Magellan's existing stockholders. In addition, Magellan's certificate of incorporation and by-laws contain several provisions that may make it more difficult for a third party to acquire control of Magellan without the approval of the Magellan board of directors. These provisions may make it more difficult or expensive for a third party to acquire a majority of Magellan's outstanding common stock. Among other things, these provisions:

authorize Magellan to issue preferred stock that can be created and issued by the board of directors without prior stockholder approval, with rights senior to those of the common stock;

classify the Magellan board of directors so that only some of Magellan's directors are elected each year;

prohibit stockholders from calling special meetings of stockholders; and

establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting.

These provisions also may delay, prevent, or deter a merger, acquisition, tender offer, proxy contest, or other transaction that might otherwise result in Magellan stockholders receiving a premium over the market price of their common stock.

## **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





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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.



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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.

If the TOTAL Investment is not completed for any reason, Tellurian Investments' business would not have sufficient working capital to sustain operations for the next 12 months, which would raise substantial doubt about its ability to continue as a going concern. Funding from any source may be unavailable to Tellurian Investments on acceptable terms, or at all. If Tellurian Investments is not able to raise 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.



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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 of the Merger.***

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 of the Merger.

***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

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been named as defendants in one recently initiated lawsuit. 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 economic 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 67.

***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 \$13.0 and \$15.6 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



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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

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.

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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;