

# MAGELLAN PETROLEUM AUSTRALIA LIMITED

ABN 62 009 728 581



## ADMINISTRATIVE OFFICE

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7 November 2005

## **ANNOUNCEMENT TO ASX**

### **Letter to Shareholders regarding the proposed Takeover Offer from Magellan Petroleum Corporation**

Please find attached a letter to Shareholders bringing them up to date with the latest developments in response to the proposed takeover offer. The letter will be despatched to Shareholders on 10 November, along with the dividend payments and a copy of the Chairman's Address to Shareholders at the recent Annual General Meeting.

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Monday, 7 November 2005

Dear Shareholder,

Enclosed with this letter is the dividend advice together with confirmation of direct credit banking or a cheque for payment of your final dividend, as well as a copy of the Chairman's Address to the Annual General Meeting on 28 October 2005.

## Proposed Takeover Offer

Magellan Petroleum Corporation ("MPC"), the parent company of Magellan Petroleum Australia Limited ("MPAL") has advised us that it intends to make an off market takeover offer for all of the ordinary shares in MPAL that MPC does not already own. The proposed consideration is seven shares of MPC common stock for every ten shares in MPAL.

MPAL has been advised by MPC that the formal offer document, known as a Bidder's Statement, will be served on MPAL in late November 2005. Once the independent directors of MPAL have received the Bidder's Statement and reviewed its contents, they will send their formal response, known as a Target's Statement, to all MPAL shareholders. Shareholders are advised to **TAKE NO ACTION** in relation to the offer until they have received the Target's Statement. We will make every effort to dispatch the Target's Statement to you at the earliest opportunity. However, this depends on a number of steps outside of our control including provision of the final Bidder's Statement by MPC and completion of the Expert's Report referred to below.

The independent directors of MPAL have now appointed a global advisory investment bank, Lazard, as financial advisors and a national legal firm, Corrs Chambers Westgarth, as legal advisors to advise in respect of the proposed offer.

Further, the independent directors are well advanced in the process of appointing a suitably qualified party to prepare an Expert's Report in accordance with the Corporations Act. This report will contain the Expert's opinion as to whether the offer is fair and reasonable. The Expert's Report will also be included in the Target's Statement. The directors anticipate appointing the independent expert within the next week.

MPAL shareholders will have ample time to consider the MPC offer.

MPAL's independent directors will continue to keep shareholders fully informed of all material developments.

For further information please contact Bruce McInnes, Company Secretary, on 07 3224 1600

Yours sincerely,



**Rod Cormie,**  
**Chairman.**