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ANNOUNCEMENT TO ASX

Weekly Drilling Report Keeley-1 – Cooper Basin SA

The Keeley-1 exploration well spudded in PEL 107 in the Cooper Basin of South Australia on 22 October. At 06:00 hr (CST) on 1 November the well was at a depth of 2425 metres in the top of the Patchawarra Formation and pulling out of hole for a bit change. (See attached map for location of well.)

The Keeley prospect is located on the western side of the Spencer High, approximately 11 km west-southwest of the Raven gas field, 5 km north-northwest of the Spencer West oil field and 8 km west-northwest of the Kiana oil field. Keeley-1 will test a combined Permian anticlinal closure and stratigraphic trap in the southern Patchawarra Trough in PEL 107.

The Keeley prospect is considered prospective because of its similarities with the Raven gas field. The Keeley prospect is a robust closure and volumetric estimates put its best estimate prospective resource at approximately 10 Bcf of gas. It has a high estimate prospective resource of approximately 29 Bcf of gas if stratigraphic trapping is also involved. The primary reservoir objectives are the Patchawarra Formation reservoirs, similar to those which produce gas at Raven and in which gas has been discovered in the recent Udacha-1 and Middleton-1 wells.

Keeley-1 Details:

| | |
|-----------------------|---|
| Petroleum Title: | PEL 107, South Australia |
| Location: | Approximately 11 km WSW of the Raven gas field, 5 km NNW of the Spencer West oil field and 8 km WNW of the Kiana oil field. |
| Coordinates: | Latitude: 28° 08' 04.32" South Longitude: 139° 46' 51.277" East (GDA 94) |
| JV Operator: | Beach Petroleum Ltd |
| Drilling Rig: | Century Rig 3 |
| Proposed Total Depth: | 3023 metres RT |
| Objectives: | Primary – the Patchawarra Formation which is productive in the Raven gas field. Secondary – the Tirrawarra Sandstone. |

Operations: Keeley-1 spudded on 22 October and was drilled in 12¼" hole to a depth of 958 metres RT. 9⅝" casing was run and set at a depth of 954 metres. The well was then drilled ahead in 8½" hole. At 06:00 hr (CST) on 1 November the well was at a depth of 2425 metres in the top of the Patchawarra Formation. POOH for bit change.

Progress for Period: 2136 metres.

Participants in Keeley-1 are:

| | |
|------------------------------------|---------|
| Magellan Petroleum Corporation | 30.0% * |
| Beach Petroleum Ltd (Operator) | 40.0% |
| Great Artesian Oil and Gas Limited | 30.0% |

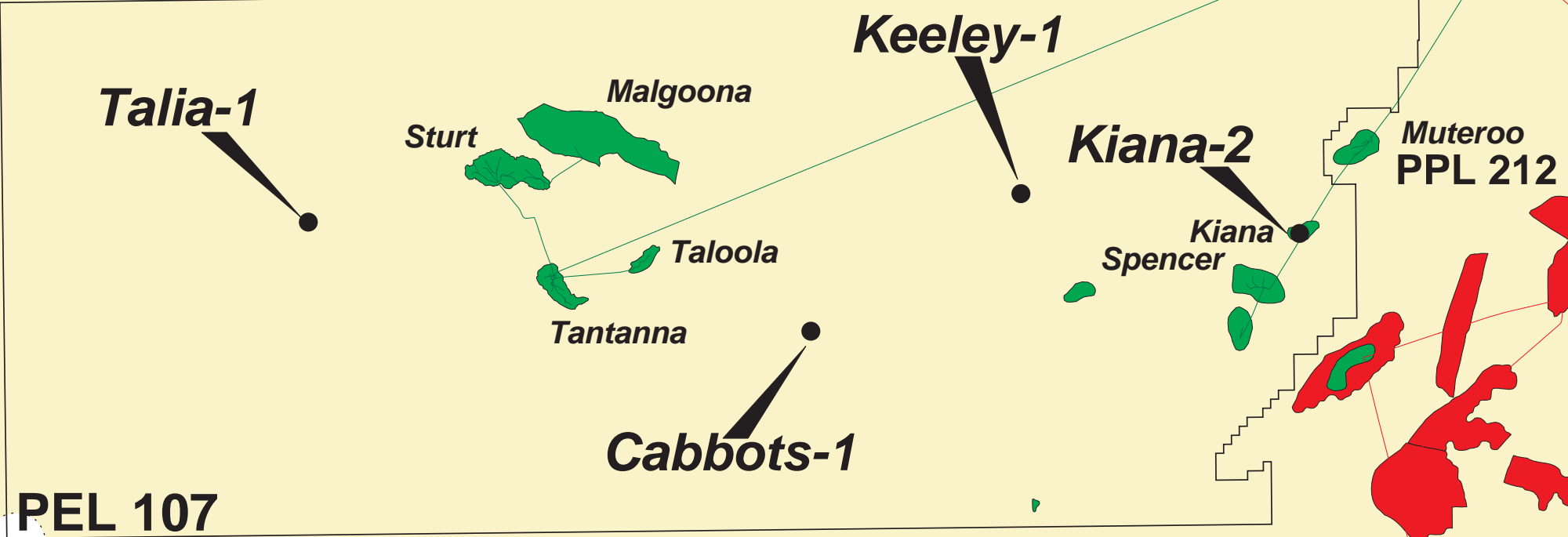
(* subject to a commercial discovery)

Magellan will issue routine weekly drilling reports during its 2006 Cooper Basin drilling program.

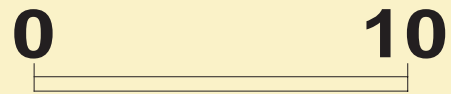
Forward Looking Statements

Statements in this release which are not historical in nature are intended to be, and are hereby identified as, forward-looking statements for purposes of the United States Private Securities Litigation Reform Act of 1995. These statements about Magellan may relate to its businesses and prospects, revenues, expenses, operating cash flows, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Among these risks and uncertainties are the extent of the recoverable reserves at those properties and the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. Any forward-looking information provided in this release should be considered with these factors in mind. Magellan assumes no obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise.

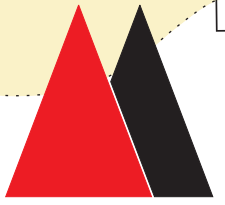
For further information, please contact Mr Bruce McInnes, Company Secretary, Magellan Petroleum Australia Limited on telephone (07) 3224 1600.



PEL 107



kms



TGD 1855TAS5G