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ANNOUNCEMENT TO ASX

Weekly Drilling Report Keeley-1 & Talia-1 – Cooper Basin SA

Keeley-1

The Keeley-1 exploration well spudded in PEL 107 in the Cooper Basin of South Australia on 22 October. The well reached a Total Depth of 3059 metres on 12 November and is being plugged and abandoned.

DST 1, which was conducted over the interval 2941-2968 metres in the lower Patchawarra Formation, was unsuccessful due to mechanical problems, but did indicate that the tested section had low permeability.

DST 2 was conducted over the interval 2978-2996.5 metres in the lower Patchawarra Formation, which is also interpreted as having low permeability with no flow and no fluid recovered.

The well reached a Total Depth of 3059 metres within the Merrimelia Formation. Elevated gas readings and fluorescence were encountered in a number of sands that were evaluated with wireline logs and side wall cores; however, no significant hydrocarbons were encountered. On the recommendation of the operator, Beach Petroleum, the joint venturers have decided to plug and abandon the well.

The Century Rig 3 will now move to the Talia-1 well in PEL 107. (See attached map for location of the 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
Total Depth:	3059 metres RT

Operations for period: Keeley-1 was drilled in 8½" hole from 2968 metres to 3059 metres and two DSTs were conducted in the lower Patchawarra Formation. The well is being plugged and abandoned after failing to encounter significant hydrocarbons.

Progress for Period: 91 metres.

Participants in Keeley-1 are:

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

(* subject to a commercial discovery)

Talia-1

The Talia-1 exploration well is located in PEL 107 and will test the oil potential of the Late Cretaceous and Jurassic interval in the Cooper Basin within a structure on the Lake Hope High along the western flank of the Patchawarra Trough. The prospect is located updip of the oil productive Sturt and Tantanna fields and is interpreted to be a simple anticlinal closure, mapped using seismic data from the Lake Hope 3D survey. The estimated mean prospective resource in the Namur Sandstone, the main primary objective, is 320,000 barrels of oil. Other objective horizons are the Birkhead Formation, the Hutton Sandstone and the Poolowanna Formation.

Magellan is participating in the well at 20% interest under a farmin arrangement with Great Artesian. The well is expected to spud late this week/early next week.

Talia-1 Details:

Petroleum Title:	PEL 107, South Australia
Location:	Approximately 3 km south of the Sturt oil field and 4 km northwest of the Tantanna oil field
Coordinates:	Latitude: 28° 09' 24.19" South Longitude: 139° 34' 27.96" East (GDA 94)
JV Operator:	Beach Petroleum Ltd
Drilling Rig:	Century Rig 3
Proposed Total Depth:	1840 metres RT
Objectives:	Primary – Namur Sandstone, Birkhead Formation/Hutton Sandstone Secondary – Poolowanna Formation

Participants in Talia-1 are:

Magellan Petroleum Corporation	20.0% *
Beach Petroleum Limited (Operator)	40.0%
Great Artesian Oil and Gas Limited	40.0%

(* subject to a farmin arrangement with Great Artesian)

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

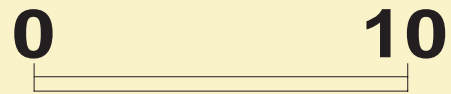
Forward Looking Statements

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.

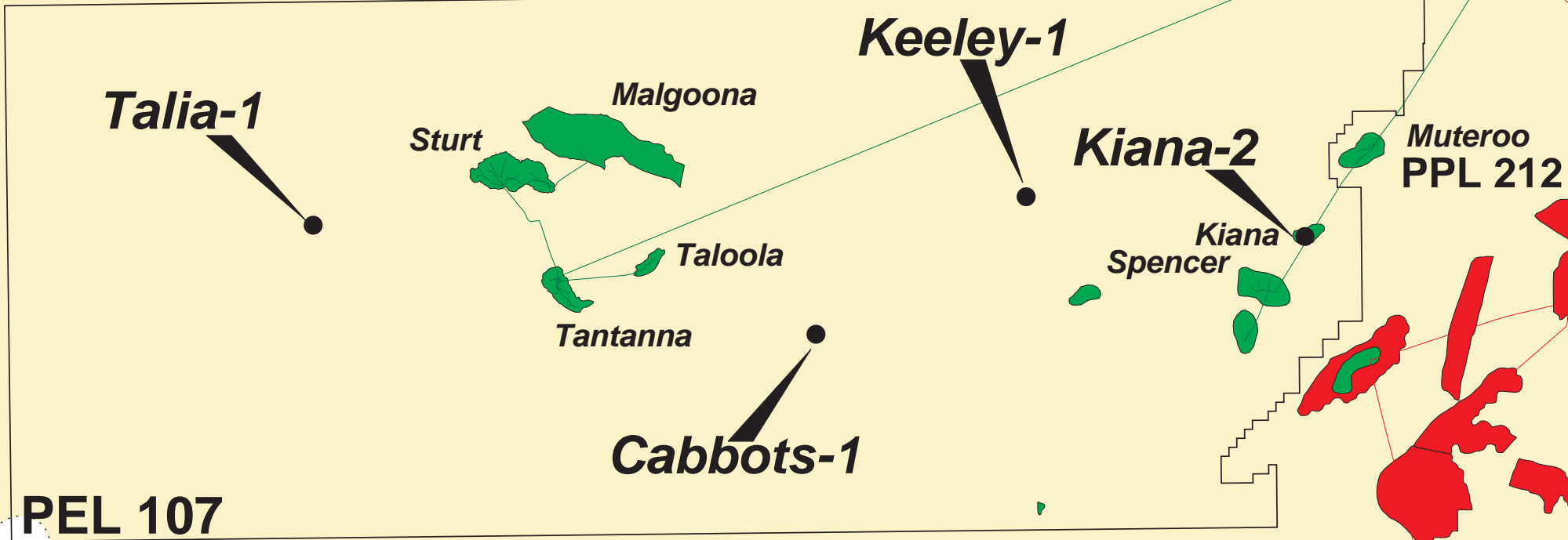
For further information, please contact Dr. Gwynn Davies, General Manager, Magellan Petroleum Australia Limited on telephone (07) 3224 1600.



PEL 107



kms



Talia-1

Sturt

Malgoona

Taloola

Tantanna

Cabbots-1

Keeley-1

Kiana-2

Kiana
Spencer

Muteroo
PPL 212