



# MAGELLAN PETROLEUM CORPORATION

ARBN 117 452 454

## ADMINISTRATIVE OFFICE

Hartford Square North  
10 Columbus Blvd - 10th Floor  
HARTFORD CT 06106, USA

TELEPHONE (+1) 860 293 2006  
FACSIMILE (+1) 860 293 2349  
WEBSITE [www.magpet.com.au](http://www.magpet.com.au)

## AUSTRALIAN OFFICE

10th Floor, 145 Eagle Street  
BRISBANE QLD 4000  
(GPO Box 2766, Brisbane Q 4001)

TELEPHONE (+61) 7 3224 16  
FACSIMILE (+61) 7 3832 64  
WEBSITE [www.magpet.com.au](http://www.magpet.com.au)

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## ANNOUNCEMENT TO ASX

### Magellan Petroleum Corporation's Weekly Drilling Report

Magellan Petroleum Corporation (Magellan) announces the spudding of Dilkera North 1 at 0100 hours on 31 December 2006; the well was drilling ahead at 1120 metres at 0600 hours on 3 January 2007. Dilkera North 1 in PL 51 of the Nockatunga Block is the first well of Magellan's intensive drilling program announced on 21 December 2006. At 0600 hours (EST), the operation was drilling 7-7/8" hole in the Murta Member. Oil shows were recorded in the Murta Member and these shows will be evaluated by wireline logs.

#### **Dilkera North-1 Details:**

Petroleum Title: PL 51, Queensland  
Location: Approximately 1 km NNE of Dilkera 1 and 4 km SE of the Muthero oil field (see attached map)  
Coordinates: Latitude: 27° 44' 20.40" South  
Longitude: 142° 38' 27.90" East (GDA 94)  
JV Operator: Santos Limited  
Drilling Rig: PDI 721  
Proposed Total Depth: 1423 metres RT  
Objectives: Primary – Murta Member  
Secondary – Westbourne Formation and Birkhead Formation/Hutton Sandstone  
Operations for period: Well was spudded at 0100 hours on 31 December 2006, 10-5/8" hole drilled to 229m, 8-5/8" casing set at 226m, BOPs tested, drilled 7-7/8" hole to 1120m  
Progress for Period: 1120 metres.

#### **Participants in Dilkera North-1 are:**

Magellan Petroleum Corporation	38.994%
Santos Limited Group (Operator)	61.006%

**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.

