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ANNOUNCEMENT TO ASX

Magellan Petroleum Corporation Weekly Drilling Report

Magellan Petroleum Corporation (ASX Code: MGN) announces the casing and suspending of the Thungo 9 development well as a future oil producer. Thungo 9 in PL 51 of the Nockatunga Block was the second well of Magellan's 11 well drilling program in the Nockatunga Block in the Cooper Basin of southwest Queensland.

Thungo 9 spudded on 8 January 2007 and was drilled to a Total Depth of 1390 metres. Trace fluorescence with slow bleeding cut was observed in the Coorikiana Sandstone over the interval 610-651 metres. The Murta Member, the primary target, had fluorescence up to 80% and associated gas shows.

Wireline logs were run and, following evaluation, a DST was run over the interval 609-630 metres in the Coorikiana Formation which recovered 2 barrels of oil cut rat hole mud/oil emulsion (49°API). The electric logs indicated approximately 8 metres of net pay in the Murta Member. Production casing was run and the well was suspended as a future Murta oil producer. The PDI 721 rig was released on 14 January and moved to the Thungo 10 location.

Thungo 10 spudded on 15 January, and at 06:00 hrs on 17 January surface casing had been set at a depth of 187 metres and the well was drilling ahead at 436 metres.

Thungo 9 Details:

Petroleum Title:	PL 51, Queensland
Location:	Approximately 700 m NNE of Thungo 1 (see attached map)
Coordinates:	Latitude: 27° 43' 28.38" South Longitude: 142° 35' 00.18" East (GDA 94)
JV Operator:	Santos Limited
Drilling Rig:	PDI 721
Total Depth:	1390 metres RT
Operations for period:	The well was spudded 8 January 2007. After setting 8-5/8" casing at 270 m the well was drilled in 7-7/8" hole to a Total Depth of 1390 m. Wireline logs were run and DST 1 was conducted over the interval 609-630 m. 5-1/2" production casing was run and the well

was suspended as a Murta Member oil producer. The rig was released on 14 January.

Progress for Period: 1117 metres.

Thungo 10 Details:

Petroleum Title: PL 51, Queensland
Location: Approximately 380 metres NE of Thungo 1 and 260 metres SSE of Thungo 3 (see attached map)
Coordinates: Latitude: 27° 43' 40.46" South
Longitude: 142° 35' 57.82" East (GDA 94)
JV Operator: Santos Limited
Drilling Rig: PDI 721
Proposed Total Depth: 1387.5 metres RT
Objectives: Primary – Murta Member
Operations for period: The well spudded on 15 January 2007 and drilled to 190 m. 8-5/8" casing was set at 187 m. The well was drilled ahead in 7-7/8" hole and at 06:00 hr on 17 January was at a depth of 436 m.
Progress for Period: 436 metres.

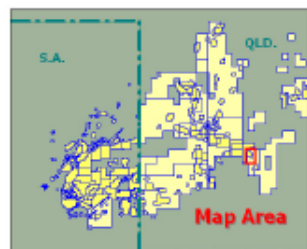
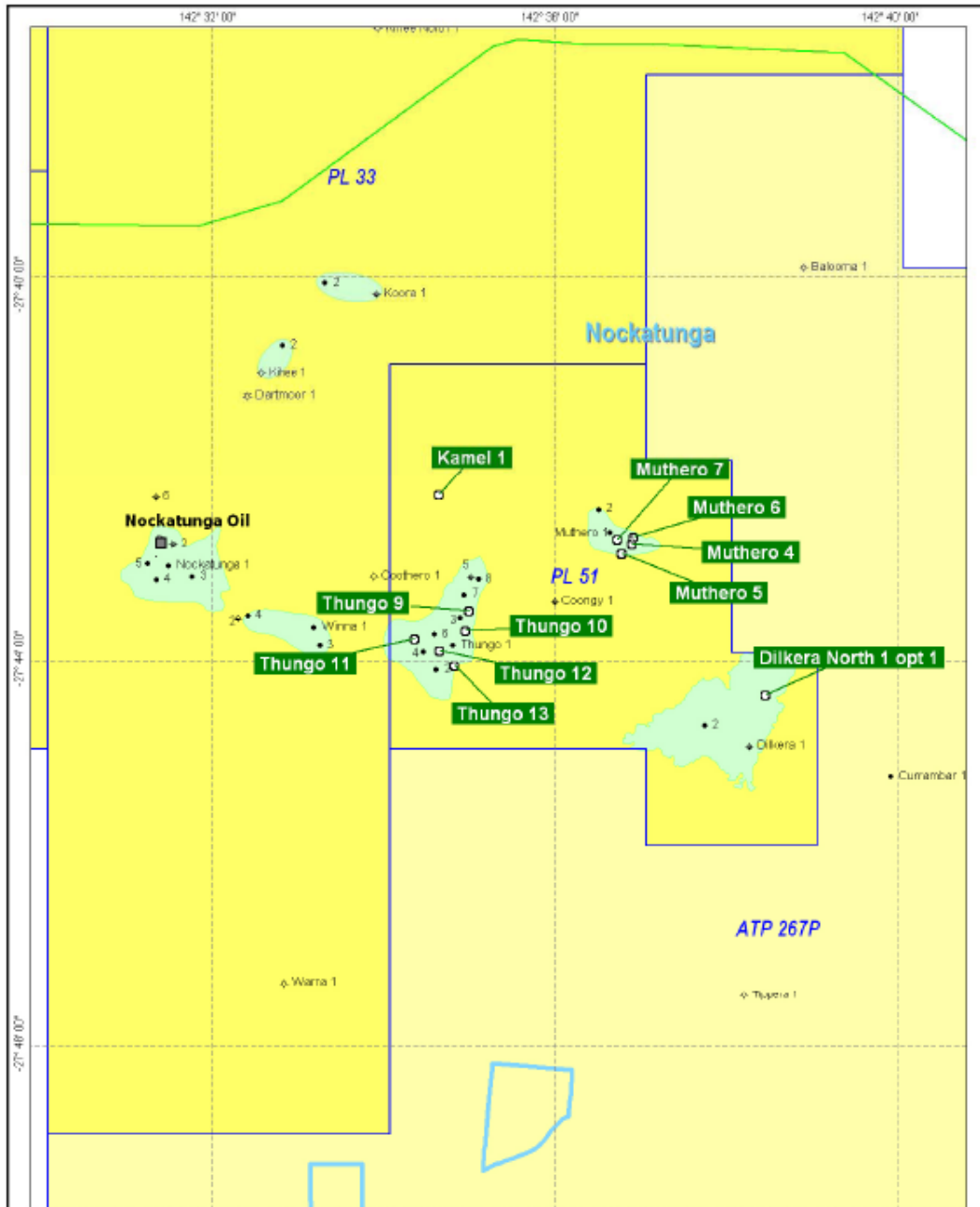
Participants in Thungo 9 and Thungo 10 are:

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.



- Legend**
- Santos Production Licence
 - Santos Exploration Licence
 - Oil pipeline
 - Pastoral Property
 - Oil field

Santos
 PL 51 - Queensland

**Muthero 4, 5, 6, 7
 Thungo 9, 10, 11, 12, 13
 Kamel 1 & Dilker North 1**



Sept 2005, File No. A17237 001