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ANNOUNCEMENT TO ASX

DRILLING REPORT – BURUNDI 1 SPUDS PL 33 – COOPER BASIN QLD

Magellan Petroleum Corporation (NASDAQ: MPET; ASX: MGN) advises that the Burundi 1 near field exploration well spudded in PL 33 in the Cooper Basin of southwest Queensland on 4 October. Burundi 1 is the first of a two well drilling program planned for the Nockatunga area in October. The Maxwell 5 appraisal well in PL 50 will follow.

Burundi 1 is located approximately 7.5 kilometres south of the Nockatunga oil facility and 9.5 kilometres southwest of the Thungo oil field. The Burundi prospect is a 4-way dip closed structure located on the western end of the Karwin Complex, immediately updip of the Karwin Trough.

The primary oil reservoir objectives in Burundi 1 are the Murta Formation and the Birkhead Formation. The Burundi 1 well which is being operated by Santos is programmed to have a total depth of approximately 1436 metres RT.

Burundi 1 Details:

Petroleum Title:	PL 33, Queensland
Location:	approximately 7.5 km S of the Nockatunga oil facility and 9.5 km southwest of the Thungo oil field
Coordinates:	Latitude: 27° 46' 49.24" South Longitude: 142° 30' 28.62" East (GDA 94)
Drilling Rig:	PDI 721
Proposed Total Depth:	1436 metres RT
Objectives:	Primary oil – the Murta Formation and the Birkhead Formation
Operations:	Burundi 1 spudded on 4 October

Participants in Burundi 1 are:

Magellan Petroleum Corporation	38.994%
Santos Limited (ASX:STO)(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 business 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.

