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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 8 November the well was at a depth of 2968 metres in the lower Patchawarra Formation and preparing to run DST 1 (2941-2968 metres). The DST was unsuccessful due to mechanical problems. (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.

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
Secondary – the Tirrawarra Sandstone
Operations for period: Keeley-1 was drilled in 8½" hole from 2425 metres to 2968 metres. At 06:00 hr (CST) on 8 November the well was at a depth of 2968 metres in the lower Patchawarra Formation.
Progress for Period: 543 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.

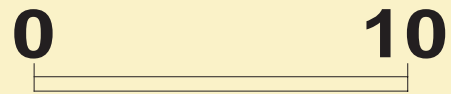
Forward Looking Statements

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.

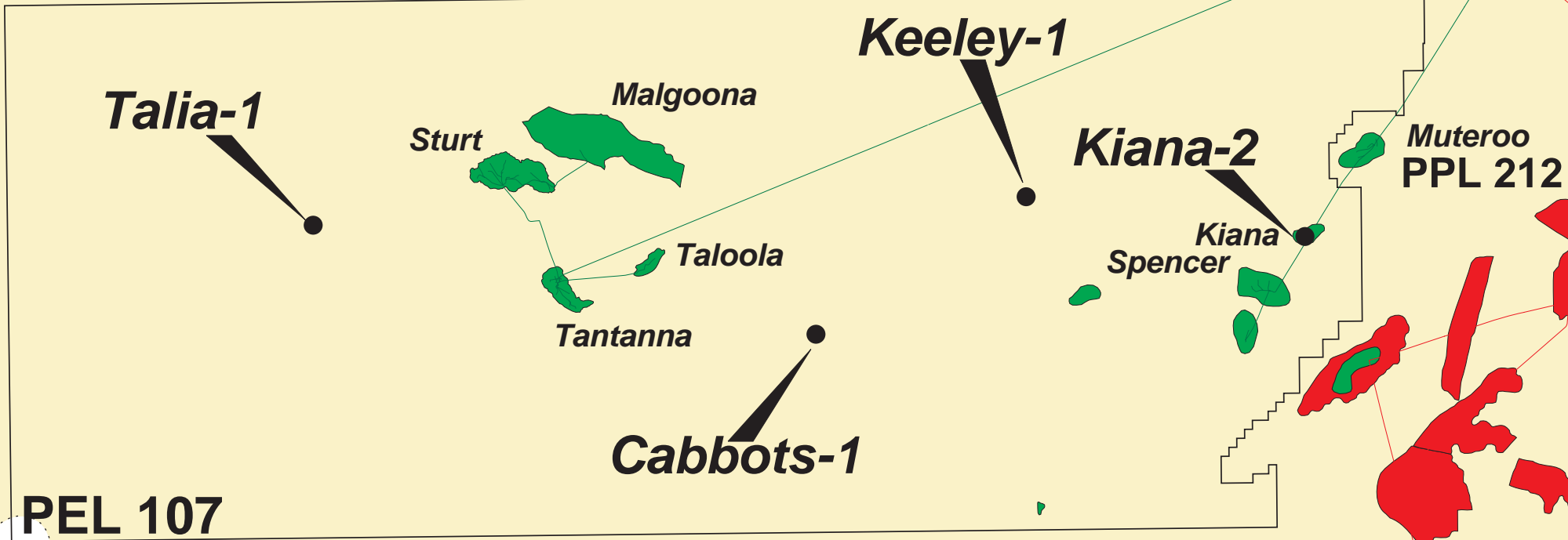
For further information, please contact Mr Bruce McInnes, Company Secretary, Magellan Petroleum Australia Limited on telephone (07) 3224 1600.



PEL 107



kms



Talia-1

Sturt

Malgoona

Taloolo

Tantanna

Cabbots-1

Keeley-1

Kiana-2

Kiana
Spencer

Muteroo
PPL 212