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ANNOUNCEMENT TO ASX

Semaphore -1 Spuds in Cooper Basin

Magellan Petroleum Australia Limited advises that the Semaphore-1 exploration well in PEL 110 South Australia spudded at 13:00 hrs on 19 October 2003. The well is currently at a depth of 357 metres and drilling a 12¼" surface hole prior to setting a string of 9⅝" surface casing at approximately 671 metres.

Semaphore-1 is designed to test the oil potential of the Triassic Tinchoo Formation, Early Jurassic Poolowanna Formation and Hutton Sandstone at a location some 25-30 kilometres north of Santos Limited's producing Keleary and Telopea Oil Fields and approximately 150 kilometres north of Moomba.

Semaphore-1

Well Type:	Exploration
Location:	PEL 110, Cooper Basin, Onshore South Australia Lat: 26° 52' 30.73" S Long: 140° 37' 54.93" E
Planned Total Depth:	2507 metres Measured Depth
Primary targets:	Triassic Tinchoo Formation Early Jurassic Poolowanna Formation
Secondary Target:	Early Jurassic Hutton Sandstone
Joint Venture Participants:	Magellan Petroleum (Southern) Limited 37.5% Beach Petroleum Ltd 37.5% (Operator) Cooper Energy NL 25%
Spud Date:	13:00 hrs 19 October 2003
06:00 hrs Depth:	357 metres MD
06:00 hrs Operations:	Drilling ahead in 12¼" hole.
Progress:	357 metres to date this week.
Operation Summary:	Century Rig 3 mobilised from Eucalyptus 1 and moved onto the Semaphore-1 location. Semaphore-1 spudded at 13:00 hours 19 October 2003. A 12¼" surface hole has been drilled to 357 metres to date.

The Operator (Beach Petroleum Ltd) will be making daily ASX releases during the drilling of Semaphore 1. Magellan will be making weekly ASX releases updating all its drilling activity.

For Further information, please contact:

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Semaphore-1 location map

