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19 October 2007

ANNOUNCEMENT TO ASX

Drilling Report – Maxwell 5
PL 50 – Cooper Basin QLD

Magellan Petroleum Corporation (NASDAQ: MPET; ASX: MGN) advises that the Maxwell 5 appraisal well spudded in PL 50 in the Cooper Basin of southwest Queensland on 14 October. The well is located on the Maxwell oil field approximately equidistant from Maxwell 3 and Maxwell 4 in an area of the field interpreted to be largely unswept by production from the three oil producing wells to the north. Oil is produced from the Murta Formation on the Maxwell field.

The well reached Total Depth of 1001 metres and good oil shows were encountered in the Murta Formation during drilling. Wireline logs were run. The well is being cased and suspended as a future oil producer.

Maxwell 5 was the second well in a 2-well drilling program at Nockatunga. No further reports will be issued.

Maxwell 5 Details:

Petroleum Title:	PL 50, Queensland
Location:	approximately 675 m SSW of Maxwell 3 and 700 m NE of Maxwell 4
Coordinates:	Latitude: 27° 53' 40.15" South Longitude: 142° 41' 28.08" East (GDA 94)
Drilling Rig:	PDI 721
Proposed Total Depth:	991 metres RT
Objectives:	Primary oil – the Murta Formation
Operations:	Maxwell 5 spudded on 14 October 2007. Surface casing was set at 242 metres. The well reached a Total Depth of 1001 metres on 17 October. Wireline logs were run, and the well is being cased and suspended.
Progress:	1001 metres

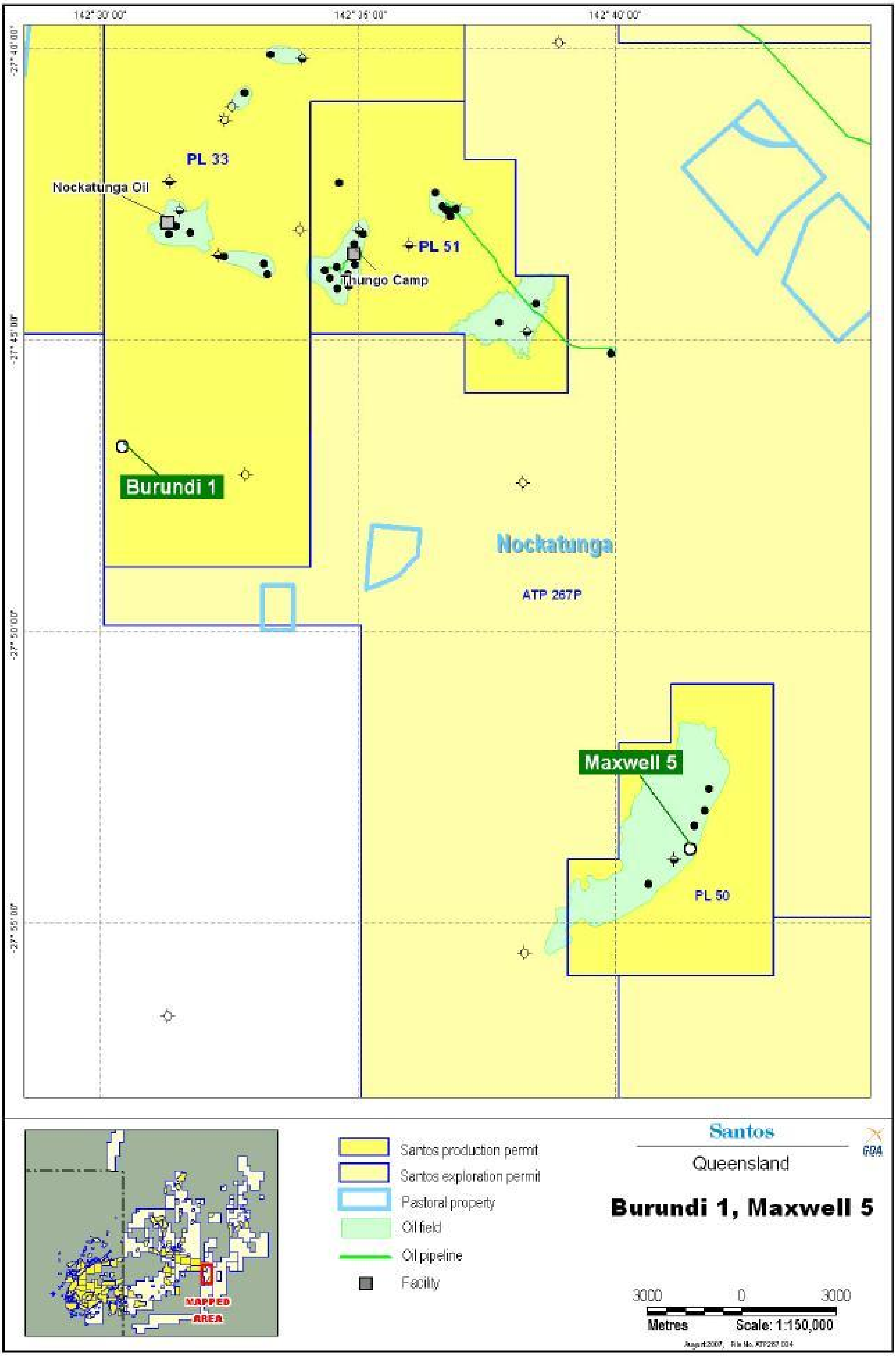
Participants in Maxwell 5 are:

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.


142° 30' 00"
142° 35' 00"
142° 40' 00"
PL 33
Nockatunga Oil
PL 51
Thungo Camp
Burundi 1
Nockatunga
ATP 267P
Maxwell 5
PL 50
MAPPED AREA
Santos production permit
Santos exploration permit
Pastoral property
Oil field
Oil pipeline
Facility
Santos
Queensland
Burundi 1, Maxwell 5
3000
0
3000
Metres
Scale: 1:150,000