

January 17, 2007



Magellan Petroleum Announces Weekly Drilling Report

HARTFORD, Conn., Jan. 17 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (NCM: MPET; ASX: MGN) ("Magellan") announced that its 100% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") advises the following drilling report.

The Thungo 9 development well was cased and suspended 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 January 8, 2007 and was drilled to a total depth of 1390 meters. Trace fluorescence with slow bleeding cut was observed in the Coorikiana Sandstone over the interval 610-651 meters. 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 meters in the Coorikiana Formation which recovered 2 barrels of oil cut rat hole mud/oil emulsion (49 degrees API). The electric logs indicated approximately 8 meters 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 January 14 and moved to the Thungo 10 location.

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

Thungo 9 Details:

Petroleum Title:	PL 51, Queensland
Location:	Approximately 700 m NNE of Thungo 1
Coordinates:	Latitude: 27 degrees 43' 28.38" South
Longitude:	142 degrees 35' 00.18" East (GDA 94)
JV Operator:	Santos Limited
Drilling Rig:	PDI 721
Total Depth:	1390 meters RT
Operations for period:	The well was spudded January 8, 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 January 14.
Progress for Period:	1117 meters.

Thungo 10 Details:

Petroleum Title:	PL 51, Queensland
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Location: Approximately 380 meters NE of Thungo 1 and 260 meters SSE of Thungo 3
Coordinates: Latitude: 27 degrees 43' 40.46" South
Longitude: 142 degrees 35' 57.82" East (GDA 94)
JV Operator: Santos Limited
Drilling Rig: PDI 721
Proposed Total Depth: 1387.5 meters RT
Objectives: Primary - Murta Member
Operations for period: The well spudded on January 15, 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 January 17 was at a depth of 436 m.
Progress for Period: 436 meters.

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 Private Securities Litigation Reform Act of 1995. These statements about Magellan and MPAL may relate to their 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.

SOURCE Magellan Petroleum Corporation