

January 5, 2007



Magellan Petroleum Announces Weekly Drilling Report

HARTFORD, Conn., Jan. 5 /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.

Dilkera North 1 spudded at 0100 hours on December 31, 2006; the well was drilling ahead at 1120 meters at 0600 hours on January 3, 2007. Dilkera North 1 in PL 51 of the Nockatunga Block is the first well of Magellan's intensive drilling program announced on December 21, 2006. At 0600 hours (EST), the operation was drilling 7-7/8" hole in the Murta Member. Oil shows were recorded in the Murta Member and these shows will be evaluated by wireline logs.

Dilkera North-1 Details:

Petroleum Title: PL 51, Queensland
Location: Approximately 1 km NNE of Dilkera 1 and 4 km SE of the Muthero oil field (see attached map)
Coordinates: Latitude: 27 degrees 44' 20.40" South
Longitude: 142 degrees 38' 27.90" East (GDA 94)
JV Operator: Santos Limited
Drilling Rig: PDI 721
Proposed Total Depth: 1423 meters RT
Objectives: Primary - Murta Member
Secondary - Westbourne Formation and Birkhead Formation/Hutton Sandstone
Operations for period: Well was spudded at 0100 hours on December 31, 2006, 10-5/8" hole drilled to 229m, 8-5/8" casing set at 226m, BOPs tested, drilled 7-7/8" hole to 1120m
Progress for Period: 1120 meters.

Participants in Dilkera North-1 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