

August 16, 2007



Magellan Petroleum Announces Drilling Report - Rainbird 1 PEL 93 - Cooper Basin SA

HARTFORD, Conn., Aug. 16 /PRNewswire-FirstCall/ -- Magellan Petroleum Corporation (Nasdaq: MPET; ASX: MGN) ("Magellan") announced that its 100% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") advises the following drilling report.

At 06:00 hrs (CST) on August 16, the Rainbird 1 exploration well in PEL 93 was at a depth of 2,004 meters in the Patchawarra Formation and drilling ahead to basement. Gas anomalies were noted while drilling in the Patchawarra Formation, and these will be further evaluated by wireline logs and drill stem testing (if required).

Magellan is participating in Rainbird 1 under a farmin agreement with Stuart Petroleum, Cooper Energy and Red Sky Energy. The Company will earn a 24.5% participating interest in any commercial discovery and subsequent Petroleum Production Licence.

Rainbird 1 Details:

Petroleum Title: PEL 93, South Australia
Location: approximately 8 km SSW of the Worrior oil field.
Coordinates: Latitude: 28 degrees 29' 09.45" South
Longitude: 139 degrees 45' 56.8" East (GDA 94).
Drilling Rig: Ensign Rig 20
Prognosed Total Depth: 2,019 meters RT
Objectives: Primary - the McKinlay Member of the Murta Formation and the Birkhead Formation.
Secondary - the Patchawarra Formation and the Epsilon Formation.
Operations: Rainbird 1 spudded on August 7 and was drilled in 12-1/4" hole to a depth of 660 meters RT. 9-5/8" casing was run and set. The well was then drilled in 8-1/2" hole and at 06:00 hrs (CST) on August 16 was at a depth of 2,004 meters and drilling ahead to basement.
Progress for Period: 2,004 meters.

Participants in Rainbird 1 are:

Magellan Petroleum Corporation	24.5% *
Stuart Petroleum Limited (ASX: STU) (Operator)	36.0%
Red Sky Energy Limited (ASX: ROG)	24.5% *
Cooper Energy Limited (ASX: COE)	15.0%

(* subject to a commercial discovery)

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