

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2000

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-5507

MAGELLAN PETROLEUM CORPORATION

.....
(Exact name of registrant as specified in its charter)

DELAWARE 06-0842255

.....
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

149 Durham Road, Madison, Connecticut 06443

.....
(Address of principal executive offices) (Zip Code)

203-245-7664

.....
(Registrant's telephone number, including area code)

.....
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes No

The number of shares outstanding of the issuer's single class of common
stock as of February 11, 2001 was 24,985,726.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

DECEMBER 31, 2000

INDEX

PART I - FINANCIAL INFORMATION

ITEM 1 Financial Statements Page

Consolidated balance sheets at December 31, 2000

and June 30, 2000

3

Consolidated statements of operations for the three and six months ended December 31, 2000 and 1999 4

Consolidated statement of changes in stockholders' equity for the six months ended December 31, 2000 4

Consolidated statements of cash flows for the six months ended December 31, 2000 and 1999 5

Notes to consolidated financial statements 6

ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations 9

ITEM 3 Quantitative and Qualitative Disclosure About Market Risk 19

PART II - OTHER INFORMATION

ITEM 4 Submission of Matters to a Vote of Security Holders 20

ITEM 5 Other Information 20

ITEM 6 Exhibits and Reports on Form 8-K 21

Signature 22

<TABLE>

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

	December 31, 2000	June 30, 2000
ASSETS	(unaudited)	(Note)

Current assets:		
<S> Cash and cash equivalents	<C> \$11,696,170	<C> \$13,890,834
Accounts receivable	4,214,524	3,873,398
Marketable securities	1,804,127	1,581,730
Reimbursable development costs	212,121	138,077
Inventories	343,530	289,743
Other assets	236,433	265,462
	-----	-----
Total current assets	18,506,905	20,039,244
	-----	-----
Marketable securities	1,470,299	1,476,449
Property and equipment (successful efforts method)		43,882,585
Less accumulated depletion, depreciation and amortization		(23,744,401)

Net property and equipment	20,138,184	21,740,514
	-----	-----
Other assets	673,698	719,510
	-----	-----
Total assets	\$40,789,086	\$43,975,717
	=====	=====

LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 2,739,531	\$ 3,024,604
Accrued liabilities	759,798	751,399
Income taxes payable	580,221	1,216,995
	-----	-----
Total current liabilities	4,079,550	4,992,998
	-----	-----
Long term liabilities:		
Deferred income taxes	3,983,355	4,255,096
Reserve for future site restoration costs	959,081	934,790
	-----	-----
Total long term liabilities	4,942,436	5,189,886
	-----	-----
Minority interests	13,590,453	14,696,267
Stockholders' equity:		
Common stock, par value \$.01 per share:		
Authorized 250,000,000 and 50,000,000 shares		
Outstanding 25,041,226 and 25,108,226 shares	250,412	251,082
Capital in excess of par value	43,521,078	43,586,606
	-----	-----
Total capital	43,771,490	43,837,688
Accumulated deficit	(16,545,373)	(16,914,420)
Accumulated other comprehensive loss	(9,079,470)	(7,826,702)
	-----	-----
Total stockholders' equity	18,146,647	19,096,566
	-----	-----
Total liabilities, minority interests and stockholders' equity	\$40,759,086	\$43,975,717
	=====	=====

Note: The balance sheet at June 30, 2000 has been derived from the audited consolidated financial statements at that date.

</TABLE>

<TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended		Six months ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Revenues:				
<S>	<C>	<C>	<C>	<C>
Oil sales	\$ 1,309,782	\$ 1,220,774	\$2,498,584	\$2,033,032
Gas sales	2,066,663	2,936,405	4,226,250	5,380,764
Other production related revenues		201,778	279,709	465,284
Interest income	244,427	185,224	500,257	370,145
	-----	-----	-----	-----
	3,822,650	4,622,112	7,690,375	8,251,816
	-----	-----	-----	-----
Costs and expenses:				
Production costs	1,081,311	1,376,359	1,925,012	2,341,358
Exploration and dry hole costs	1,077,295	853,824	1,209,280	1,133,898
Salaries and employee benefits	430,526	389,467	872,881	1,016,754
Depletion, depreciation and amortization	643,801	1,214,547	1,318,160	1,848,243
Auditing, accounting and legal services	54,913	74,169	156,749	230,856
Shareholder communications	92,875	107,925	121,297	139,226
Other administrative expenses	193,149	192,444	430,805	429,334
	-----	-----	-----	-----
	3,573,870	4,208,735	6,034,184	7,139,669

Income before income taxes and minority interests	248,780	413,377	1,656,191	1,112,147
Income tax provision (benefit)	113,611	(530,641)	592,073	(302,953)
Income before minority interests	135,169	944,018	1,064,118	1,415,100
Minority interests	156,972	614,581	695,071	942,335
Net income (loss)	\$ (21,803)	\$ 329,437	\$ 369,047	\$ 472,765
Average number of shares outstanding				
Basic	25,091,476	25,108,226	25,098,655	25,108,226
Diluted	25,091,476	25,130,373	25,098,655	25,130,373
Net income (loss) per share(basic and diluted)	\$-	\$.01	\$.01	\$.02

</TABLE>

<TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

	Number of shares	Capital in common stock	excess of par value	Accumulated other deficit	Accumulated loss	Comprehensive comprehensive Total (loss)	income
July 1, 2000	25,108,226	\$251,082	\$43,586,606	\$(16,914,420)	\$(7,826,702)	\$19,096,566	
Repurchase of common stock	(67,000)	(670)	(65,528)	-	-	(66,198)	
Net income	-	-	-	369,047	-	369,047	\$ 369,047
Currency translation adjustments				(1,252,768)	(1,252,768)	(1,252,768)	
Comprehensive loss						\$(883,721)	
December 31, 2000	25,041,226	\$250,412	\$43,521,078	\$(16,545,373)	\$(9,079,470)	\$18,146,647	

</TABLE>

<TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

Six months ended
December 31,
2000 1999

Operating Activities:

Net income	\$ 369,047	\$ 472,765
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,318,160	1,848,243
Deferred income taxes	-	(519,911)
Minority interests	695,071	942,335
Increase (decrease) in operating assets and liabilities:		
Accounts receivable	(820,713)	(2,594,372)
Reimbursable development costs	(95,434)	(50,397)

Other assets	(10,253)	68,840
Inventories	(92,466)	(105,421)
Current income taxes payable	(527,003)	-
Accounts payable and accrued liabilities	165,283	966,574
Reserve for future site restoration costs	139,965	81,595
	-----	-----
Net cash provided by operating activities	1,141,657	1,028,656
	-----	-----
Investing Activities:		
Purchase of marketable securities	(216,247)	(610,383)
Repurchase of common stock	(66,198)	-
Net additions to property and equipment	(1,480,653)	(647,950)
	-----	-----
Net cash (used) in investing activities	(1,763,098)	(1,258,333)
	-----	-----
Financing Activities:		
Dividends to MPAL minority shareholders	(593,034)	(730,709)
	-----	-----
Net cash (used) in financing activities	(593,034)	(730,709)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(980,189)	(245,351)
	-----	-----
Net decrease in cash and cash equivalents	(2,194,664)	(1,124,142)
Cash and cash equivalents at beginning of year	13,890,834	13,380,699
	-----	-----
Cash and cash equivalents at end of period	\$11,696,170	\$12,256,557
	=====	=====

</TABLE>

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

PART I - FINANCIAL INFORMATION

December 31, 2000

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the Company's 51% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Certain prior year amounts have been reclassified to conform with the current year presentation. Operating results for the three months and six months ended December 31, 2000 are not necessarily indicative of the results that may be expected for the year ending June 30, 2001. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2000.

Note 2. Revenue Recognition

In December 1999, the plaintiffs (which include the Company) filed a motion to have the Court of Queen's Bench in Canada direct that the working interest parties in the Kotaneelee gas field make timely payments of all current and future amounts due from their share of the Kotaneelee gas field revenues. In April 2000, the trial court dismissed the motion pending the Court's ultimate determination of the issues surrounding the Kotaneelee field carried-interest account. During November 2000, the Alberta Court of Appeal in Canada stayed the

plaintiffs' appeal.

In view of the Courts' decisions, the Company does not intend to accrue any additional revenues (\$43,425 had been accrued in the fiscal year ended June 30, 2000) from the Kotaneelee gas field until collection of the amounts due is reasonably assured.

Since March 2000, the operator of the Kotaneelee field has been reporting the amount of the Company's share of net revenues being deposited in escrow. The January 2001 report provided information for production during the month of October 2000. Based on the reported data, the Company believes that the total amount due the Company (before interest) is \$665,000, of which \$220,000 has been deposited in escrow.

Item 1. Notes to Consolidated Financial Statements- (Cont'd)

Note 3. Income Taxes

Australia has enacted corporate tax rate reductions for the fiscal year ending June 30, 2001 (36% to 34%) and for the fiscal year ending June 30, 2002 (34% to 30%) which will impact the Company's effective income tax rates in future periods.

Note 4. Capital

The authorized common stock of the Company was increased from 50,000,000 shares to 200,000,000 shares at the Annual Meeting of Stockholders which was held on December 4, 2000.

On December 8, 2000, the Company announced a stock repurchase plan to purchase up to one million shares of the Company's common stock in the open market. At December 31, 2000, the Company has purchased 67,000 of its shares at a cost of approximately \$66,000.

Note 5. Depletion, depreciation and amortization

The operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements. The estimated cost of these proposed expenditures (MPAL share \$8 million) will increase the amount of depletion expense in the year 2001 and in subsequent years.

Note 6. Comprehensive Income (Loss)

The only item included in accumulated other comprehensive loss is the Company's foreign currency translation adjustments. Comprehensive income (loss) during the three and six months ended December 31, 2000 and 1999 was as follows:
<TABLE>

	Three months ended December 31,		Six months ended December 31,		
	2000	1999	2000	1999	
<S>	<C>	<C>	<C>	<C>	
Net income (loss)	\$ (21,803)	\$ 329,437	\$ 369,047	\$ 472,765	
Currency translation adjustments		488,968	202,659	(1,252,768)	(272,228)
Total comprehensive income (loss)		\$ 467,165	\$ 532,096	\$(883,721)	\$ 200,537

</TABLE>

Note 7. Segment Information

The Company has two reportable segments, MPC and its subsidiary, MPAL. Each company is in the same business. MPAL also is a publicly held company with its shares traded on the Australian Stock Exchange. MPAL issues separate audited consolidated financial statements and operates independently of MPC. Segment information (in thousands) for the Company's two operating segments is as follows:

<TABLE>

	Three months ended		Six months ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Revenues:				
<S>	<C>	<C>	<C>	<C>
MPC	\$ 46	\$ 87	\$ 90	\$ 128
MPAL	3,777	4,534	7,600	8,123
Total consolidated revenues	\$ 3,823	\$ 4,621	\$ 7,690	\$ 8,251
Net income (loss):				
MPC	\$ (186)	\$ (310)	\$ (359)	\$ (507)
MPAL	164	639	728	980
Consolidated net income	\$ (22)	\$ 329	\$ 369	\$ 473

</TABLE>

8. Stock options

For the purpose of pro forma disclosures, the estimated fair value of the majority of stock options are expensed in the year of grant since the options are normally immediately vested and exercisable. However, certain options that were granted in fiscal 2000 vest over a three year period.. The Company's pro forma information follows:

<TABLE>

	Three months ended December 31,			
	2000		1999	
	Amount	Per Share	Amount	Per Share
<S>	<C>	<C>	<C>	<C>
Net income (loss) as reported	\$ (22,000)	\$ -	\$329,000	\$.01
Stock option expense	(21,000)	-	-	-
Pro forma net income (loss)	\$ (43,000)	\$ -	\$329,000	\$.01

</TABLE>

Item 1. Notes to Consolidated Financial Statements- (Cont'd)

<TABLE>

	Six months ended December 31,			
	2000		1999	
	Amount	Per Share	Amount	Per Share
<S>	<C>	<C>	<C>	<C>
Net income as reported	\$ 369,000	\$.01	\$473,000	\$.02
Stock option expense	(43,000)	-	-	-
Pro forma net income	\$ 326,000	\$.01	\$473,000	\$.02

</TABLE>

Note 9. Earnings (loss) per share

Earnings per common share is based upon the weighted average number of common and common equivalent shares outstanding during the period. The Company's basic and diluted calculations of EPS are the same for the three and six months ended December 31, 2000 because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive. The exercise price of the outstanding stock options exceeded the average market price of the common stock during the 2000 period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations which are not historical in nature are intended to be, and are hereby identified as, "forward looking statements" for purposes of the "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. The Company cautions readers that forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward looking statements.

The Company follows the successful efforts method of accounting for its oil and gas operations; therefore, the results of operations may vary materially from quarter to quarter. An active exploration program may result in greater exploration and dry hole costs. Under this method, the cost of drilling a dry hole is written off immediately.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

PART I - FINANCIAL INFORMATION

December 31, 2000

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

In December 1999, the plaintiffs (which include the Company) filed a motion to have the Court of Queen's Bench in Canada direct that the working interest parties in the Kotaneelee gas field make timely payments of all current and future amounts due from their share of the Kotaneelee gas field revenues. In April 2000, the trial court dismissed the motion pending the Court's ultimate determination of the issues surrounding the Kotaneelee field carried-interest account. During November 2000, the Alberta Court of Appeal in Canada stayed the Company's appeal.

In view of the Court's decisions, the Company does not intend to accrue any additional revenues (\$43,425 had been accrued in the fiscal year ended June 30, 2000) from the Kotaneelee gas field until collection of the amounts due is reasonably assured.

Since March 2000, the operator of the Kotaneelee field has been reporting the amount of the Company's share of net revenues being deposited in escrow. The January 2001 report provided information for production during the month of October 2000. Based on the reported data, the Company believes that the total amount due the Company (before interest) is \$665,000, of which \$220,000 has been deposited in escrow.

The Company's Annual Report on Form 10-K for the year ended June 30, 2000 should be read for a detailed discussion of the Kotaneelee litigation.

Liquidity and Capital Resources

Consolidated

At December 31, 2000, the Company on a consolidated basis had approximately \$15 million in cash and cash equivalents and marketable

securities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

A summary of the major changes in cash and cash equivalents during the six months ended December 31, 2000 is as follows:

<TABLE>

<S>	<C>	
Cash and cash equivalents at beginning of period		\$13,891,000
Cash provided by operations	1,141,000	
Net additions to property and equipment	(1,481,000)	
Purchase of marketable securities	(216,000)	
Dividend to MPAL minority shareholders	(593,000)	
Effect of exchange rate changes	(980,000)	
Repurchase of common stock	(66,000)	

Cash and cash equivalents at end of period		\$11,696,000

</TABLE>

As to MPC

At December 31, 2000, Magellan Petroleum Corporation ("MPC"), on an unconsolidated basis, had working capital of approximately \$2.2 million and \$1.5 million in marketable securities. MPC's annual operating budget is approximately \$700,000 and its current cash position and annual MPAL dividend should be adequate to meet its current cash requirements. During fiscal 2001, MPC has budgeted approximately \$200,000 for oil and gas exploration compared to the \$54,000 expended during fiscal 2000.

During November 2000, MPAL paid a dividend of A.\$05 per share. MPC's share of this dividend was approximately \$621,000, which was added to its working capital.

On December 8, 2000, the Company announced a stock repurchase plan to purchase up to one million shares of the Company's common stock in the open market. At December 31, 2000, the Company has purchased 67,000 of its shares at a cost of approximately \$66,000.

As to MPAL

At December 31, 2000, MPAL had working capital of approximately \$12.2 million. MPAL has budgeted approximately \$3 million for specific exploration in fiscal 2001 as compared to the \$2 million expended during fiscal 2000. However, the total amount to be expended may be as much as \$6 million depending on when the various projects reach the drilling phase. The current composition of MPAL's oil and gas reserves are such that the Company's future revenues in the long term are expected to be derived from the sale of gas in Australia.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

Three months ended December 31, 2000 vs. December 31, 1999.

The components of consolidated net income (loss) for the comparable periods were as follows:

<TABLE>

	Three months ended December 31,	
	2000	1999
<S>	<C>	<C>
MPC unconsolidated pretax loss	\$(186,225)	\$(195,741)
MPC income tax expense	-	(113,990)
Share of MPAL pretax income	222,545	310,536
Share of MPAL income tax (provision) benefit	(58,123)	328,632

Consolidated net income (loss)	\$ (21,803)	\$ 329,437
Net income (loss) per share (basic & diluted)	\$ -	\$.01

</TABLE>

Revenues

Oil sales increased by 7% in the current quarter to \$1,310,000 from \$1,221,000 in 1999 because of a 55% increase in oil prices which was partially offset by the 17% Australian foreign exchange rate decrease discussed below and the 2% decrease in the number of units sold. Unit oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. A gas injection project is currently in progress to enhance oil recovery. MPAL is dependent on the operator (65% control) of the Mereenie field to maintain production. Oil unit sales (before deducting royalties) in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

<TABLE>

	Three months ended December 31,			
	2000 Sales		1999 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
Australia-Mereenie	47,112	A.\$56.20	48,243	A.\$36.23

Gas sales decreased 30% to \$2,067,000 in 2000 from \$2,936,000 in 1999 because of the 15% decrease in the volume of gas sold and the 17% Australian foreign exchange rate decrease discussed below which was partially offset by increased prices (up an average 1%). The volumes in billion cubic feet ("bcf") (before deducting royalties) and the average price of gas per thousand cubic feet ("mcf") sold during the periods indicated were as follows:

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

<TABLE>

	Three months ended December 31,			
	2000 Sales		1999 Sales	
	bcf	Average price per mcf	bcf	Average price per mcf
Australia:		(A.\$)		(A.\$)
Palm Valley				
Alice Springs contract	.287	3.14	.278	2.97
Darwin contract	.520	2.07	.560	2.02
Mereenie:				
Darwin contract	.891	2.60	.681	2.31
Other	.019	3.37	.500	3.08
Total	1.717		2.019	

</TABLE>

Other production related revenues decreased 28% to \$202,000 in 2000 compared to \$280,000 in 1999. The reason for this decrease was that MPAL's share of gas pipeline tariffs decreased to \$181,000 in 2000 compared to \$261,000 in 1999 because gas sales decreased.

Interest income increased 32% to \$244,000 in 2000 from \$185,000 in 1999. The increase in interest income is the result of additional funds available for investment and higher interest rates partially offset by the 17% Australian foreign exchange rate decrease as discussed below.

Costs and Expenses

Production costs decreased 21% in 2000 to \$1,081,000 from \$1,376,000 in 1999 period primarily because of the 17% Australian foreign exchange rate decrease discussed below.

Exploration and dry hole costs totaled \$1,077,000 in 2000 compared to \$854,000 in 1999. The 2000 and 1999 costs related primarily to the work being performed on MPAL's offshore Western Australia properties. The cost (\$336,000) of the Ealing - 1 exploration well in New Zealand, which was a dry hole, is also included in the 2000 period.

Salaries and employee benefits increased 11% from \$376,000 in 1999 to \$431,000 in 2000. The increase in salaries relates primarily to the President of MPC becoming a paid employee instead of a consultant effective January 1, 2000. The Australian foreign exchange rate decreased 17% during the 2000 period discussed below and partially offset the increase.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

Depletion, depreciation and amortization decreased 47% from \$1,215,000 in 1999 to \$644,000 in 2000 because of the decrease in oil and gas production and the 17% decrease in the Australian exchange rate discussed below.

Auditing, accounting and legal expenses decreased 26% from \$74,000 in 1999 to \$55,000 in 2000. Effective January 1, 2000 the President of MPC became a paid employee instead of a consultant which reduced the amount of auditing, accounting and legal expenses. In addition, there was a 17% decrease in the Australian exchange rate discussed below.

Shareholder communications decreased 14% from \$107,000 in 1999 to \$93,000 in 2000 because of cost saving measures implemented to reduce mailing and printing costs.

Other administrative expenses were approximately the same during the periods: \$193,000 in 2000 and \$192,000 in 1999.

Income Taxes

Income tax expense increased in 2000 to \$114,000 from a tax benefit of \$531,000 in 1999. The components of income tax expense (benefit) between MPC and MPAL were as follows:

<TABLE>

	2000	1999
	----	----
	<C>	<C>
Pretax consolidated income	\$ 249	\$ 413
Losses not recognized:		
MPC's operations	186	196
MPAL's foreign operations	7	12
Permanent differences	(106)	(410)
	-----	-----
Book taxable income	\$ 336	\$ 211
	=====	=====
Australian tax rate	34%	36%
	=====	=====
Australian income tax provision (benefit)	\$ 114	\$ 76
Australian income tax benefit from rate change	-	(721)
MPC income tax	-	114
	-----	-----
Consolidated income tax provision (benefit)	\$ 114	\$ (531)
	=====	=====
Effective tax rate	46%	(129%)
	=====	=====

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to \$.5588 at December 31, 2000 compared to a value of \$.5427 at September 30, 2000. This resulted in a \$489,000 credit to the foreign currency translation adjustments account for the three months ended December 31, 2000. The average exchange rate used to translate MPAL's operations in Australia was \$.5330 for the quarter ended December 31, 2000, which is a 17% decrease from the \$.6438 rate for the quarter ended December 31, 1999.

Six month period ended December 31, 2000 vs. December 31, 1999.

The components of consolidated net income (loss) for the comparable periods were as follows:

<TABLE>

	Six months ended December 31,	
	2000	1999
	<C>	<C>
MPC unconsolidated pretax loss	\$(359,021)	\$(393,266)
MPC income tax expense	-	(113,990)
Share of MPAL pretax income	1,030,969	767,463
Share of MPAL income tax (provision) benefit	(302,901)	212,558
Consolidated net income	<u>\$ 369,047</u>	<u>\$ 472,765</u>
Net income per share (basic & diluted)	<u>\$.01</u>	<u>\$.02</u>

</TABLE>

Revenues

Oil sales increased by 23% in the current period to \$2,499,000 from \$2,033,000 in 1999 because of a 68% increase in oil prices which was partially offset by the 14% Australian foreign exchange decrease as discussed below and the 11% decrease in the number of units sold. Unit oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. A gas injection project is currently in progress to enhance oil recovery. MPAL is dependent on the operator (65% control) of the Mereenie field to maintain production. Oil unit sales in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

<TABLE>

	Six months ended December 31, 2000 Sales		1999 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
	<C>	<C>	<C>	<C>
Australia-Mereenie	86,204	A.\$56.88	97,338	A.\$33.89

</TABLE>

Gas sales decreased 21% to \$4,226,000 in 2000 from \$5,381,000 in 1999 because of the 14% Australian foreign exchange decrease discussed below and a 9%

decrease in the volume of gas sold which was partially offset by increased prices (up an average 2%). Total gas volumes are expected to continue at least at current levels in the short term. The volumes in billion cubic feet ("bcf"), (before deducting royalties) and the average price of gas per thousand cubic feet ("mcf") sold during the periods indicated were as follows:

<TABLE>

	Six months ended December 31,		Six months ended December 31,	
	2000 Sales		1999 Sales	
	Bcf	Average price per mcf (A.\$)	bcf	Average price Per mcf (A.\$)
Australia:				
Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.567	3.09	.569	2.95
Darwin contract	1.031	2.05	1.134	2.02
Mereenie:				
Darwin contact	1.495	2.47	1.257	2.27
Other	.327	3.18	.792	3.03
Total	3.420		3.752	

</TABLE>

Other production related revenues decreased 1% to \$465,000 in 2000 compared to \$468,000 in 1999.

Interest income increased 35% in 2000. The increase in interest income from \$370,000 in 1999 to \$500,000 in 2000 is the result of additional funds available for investment and higher interest rates partially offset by the 14% Australian foreign exchange decrease as discussed below.

Costs and Expenses

Production costs decreased 18% in 2000 to \$1,925,000 from \$2,341,000 in 1999 primarily because of the 14% Australian foreign exchange decrease discussed below.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

Exploration and dry hole costs totaled \$1,209,000 in 2000 compared to \$1,134,000 in 1999. The 2000 and 1999 costs related primarily to the work being performed on MPAL's offshore Western Australian properties. The cost (\$336,000) of the Ealing - 1 exploration well in New Zealand, which was a dry hole, is also included in the 2000 period.

Salaries and employee benefits decreased 14% from \$1,017,000 in 1999 to \$873,000 in 2000. During 1999, MPAL's General Manager retired and received the balance of his unpaid salary of \$228,000 under his employment contract. The Australian foreign exchange rate also decreased 14% during the 2000 period as discussed below. The decrease was partially offset by an increase in salaries related to the President of MPC becoming a paid employee instead of a consultant effective January 1, 2000.

Depletion, depreciation and amortization decreased 29% from \$1,848,000 in 1999 to \$1,318,000 in 2000 because of the decrease in oil and gas production and the 14% decrease in the Australian exchange rate discussed below.

Auditing, accounting and legal expenses decreased 32% from \$231,000 in 1999 to \$157,000 in 2000. Effective January 1, 2000 the President of MPC became a paid employee instead of a consultant which reduced the amount of auditing, accounting and legal expenses. In addition, there was a 14% decrease in the Australian exchange rate discussed below.

Shareholder communications decreased 12% in 2000 to \$121,000 compared to \$139,000 in 1999 because of cost saving measures implemented to reduce mailing and printing costs.

Other administrative expenses were approximately the same between the periods: \$431,000 in 2000 and \$429,000 in 1999.

Income Taxes

Income tax expense increased in 2000 to \$592,000 from a tax benefit of \$303,000 in 1999. The components of income tax expense (benefit) between MPC and MPAL were as follows:

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)

<TABLE>

	2000 ----	1999 ----
<S>	<C>	<C>
Pretax consolidated income	\$ 1,656	\$ 1,112
Losses not recognized:		
MPC's operations	359	393
MPAL's foreign operations	20	31
Permanent differences	(294)	(692)
	-----	-----
Book taxable income	\$ 1,741	\$ 844
	=====	=====
Australian tax rate	34%	36%
	=====	=====
Australian income tax provision	\$ 592	\$ 304
Australian income tax benefit from rate change	-	(721)
MPC income tax	-	114
	-----	-----
Consolidated income tax provision (benefit)	\$ 592	\$ (303)
	=====	=====
Effective tax rate	36%	(27%)
	=====	=====

</TABLE>

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to \$.5588 at December 31, 2000 compared to a value of \$.5968 at June 30, 2000. This resulted in a \$1,253,000 charge to the foreign currency translation adjustments account for the six months ended December 31, 2000. The 6% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance at December 31, 2000 from the June 30, 2000 amounts. The average exchange rate used to translate MPAL's operations in Australia was \$.5532 for the six months ended December 31, 2000, which is a 14% decrease from the \$.6470 rate for the six months ended December 31, 1999.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have any significant exposure to market risk other than as previously discussed regarding foreign currency risk, as the only market sensitive instruments are its investments in marketable securities. At December 31, 2000, the carrying value of such investments (including those classified as cash and cash equivalents) was approximately \$14.2 million, which approximates the fair value of the securities. Since the Company expects to hold the investments to maturity, the maturity value should be realized.

PART II - OTHER INFORMATION

MAGELLAN PETROLEUM CORPORATION

December 31, 2000

Item 4. Submission of Matters to a Vote of Security Holders.

(a) On December 4, 2000, the Company held its 2000 Annual General Meeting of Stockholders.

(b) The following directors were elected as directors of the Company. The vote was as follows:

	Shares		Stockholders		
	For	Withheld	For	Withheld	
	<C>	<C>	<C>	<C>	
Hedley Howard	21,142,100		1,243,865	2,002	380
Donald V. Basso	21,141,271		1,244,694	2,041	341

(c) The firm of Ernst & Young LLP, was appointed as the Company's independent auditors for the year ending June 30, 2001. The vote was as follows:

	Shares		Stockholders	
	For	Against	For	Against
	<C>	<C>	<C>	<C>
For	21,704,643		2,234	
Against		513,763		80
Abstain		167,559		68

(d) The proposal to increase the authorized common stock of the Company from 50,000,000 shares to 200,000,000 shares was approved. The vote was as follows:

	Shares		Stockholders	
	For	Against	For	Against
	<C>	<C>	<C>	<C>
For	18,986,738		1,814	
Against		3,116,779		435
Abstain		282,448		133

Item 5. Other Information.

All of the planned seismic surveys have been completed for MPAL's offshore permit in Western Australia.

In late September 2000, MPAL acquired a 30% interest in two licenses in southern England. The two licenses; PEDL 098 in the Isle of Wight and PEDL 099 in the Portsdown area of Hampshire, were formally granted in December 2000 for a period of six years.

During November 2000, MPAL reported that the Ealing-1 exploration well in the Canterbury Basin of New Zealand was plugged and abandoned. MPAL funded the cost (\$336,000) of 20% of the well. MPAL expects to reduce its interest in the project to 12%.

On February 6, 2001, the presentation of the evidence in the Kotaneelee trial in the Queens Bench of Alberta, Canada ended. A written decision from the trial court is not expected before the end of 2001.

MPAL holds a 50% interest in two blocks CO 1998-I and CO 1998-J in the Cooper Basin of South Australia. MPAL expects to receive formal permits in the near future since an agreement in principle has been reached with the National Title Claimants on the blocks. Subject to the early grant of the permits, MPAL plans to commence drilling in the second quarter of the year 2001.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3. Articles of Incorporation and By-Laws.

(a) Certificate of Amendment of Restated Certificate of Incorporation as filed on December 26, 2000 with the State of Delaware is filed herein.

(b) Reports on Form 8-K

On December 8, 2000, the Company filed a Current Report on Form 8-K to report that the Company announced a stock repurchase plan to purchase up to one million shares of the Company's common stock in the open market.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

MAGELLAN PETROLEUM CORPORATION
Registrant

Date: February 13, 2001 By /s/ James R. Joyce

James R. Joyce, President and
Chief Financial and Accounting Officer

INDEX TO EXHIBITS

3. Articles of Incorporation and By-Laws.

Certificate of Amendment of Restated Certificate of Incorporation filed December 26, 2000.

Exhibit 3 (a)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
MAGELLAN PETROLEUM CORPORATION

Magellan Petroleum Corporation, a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

FIRST: That at a meeting of the Board of Directors of the Corporation held on September 27, 2000, resolutions were duly adopted setting forth a proposed amendment to the Restated Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and providing that said amendment be submitted to the stockholders of the Corporation for consideration thereof at the annual meeting of stockholders of the Corporation to be held on December 4, 2000. The resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Restated Certificate of Incorporation of the Corporation be, and it hereby is, amended by changing Article FOURTH thereof to increase the shares the Corporation shall have authority to issue from fifty million (50,000,000) shares of Common Stock, par value \$.01 per share, to two hundred million shares (200,000,000) so that, as amended, such Article FOURTH shall read in its entirety as follows:

FOURTH: The total number of the shares of common stock which the Corporation shall have authority to issue is Two Hundred Million (200,000,000) shares and the par value of each of such shares is one cent (\$.01) amounting in the aggregate to two million (\$2,000,000) dollars.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, at the annual meeting of the stockholders of the Corporation held on December 4, 2000, duly called and held, upon notice in accordance with Section 222 of the Delaware General Corporation Law, the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted by the stockholders in accordance with the provisions of Section 242 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Corporation's Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer this 22nd day of December, 2000.

MAGELLAN PETROLEUM CORPORATION

By: /s/ James R. Joyce
Name: James R. Joyce
Title: President