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

(Mark one)

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

For the quarterly period ended March 31, 2001

[ ] 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 incorporation or organization)	(I.R.S. Employer 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. |X| Yes |_| No

The number of shares outstanding of the issuer's single class of common stock as of May 7, 2001 was 24,874,226.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

MARCH 31, 2001

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PART I - FINANCIAL INFORMATION

MAGELLAN PETROLEUM CORPORATION
FORM 10-Q
PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 2001	June 30, 2000
ASSETS	(unaudited)	(Note)
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	$10,581,976	$13,890,834
Accounts receivable	3,775,998	3,873,398
Marketable securities	1,808,308	1,581,730
Reimbursable development costs	150,581	138,077
Inventories	423,112	289,743
Other assets	296,272	265,462
Total current assets	17,036,247	20,039,244
Marketable securities	1,067,292	1,476,449
Property and equipment (successful efforts method)	37,569,568	45,766,007
Less accumulated depletion, depreciation and amortization	(21,193,088)	(24,025,493)
Net property and equipment	16,376,480	21,740,514
Other assets	1,022,444	719,510
Total assets	$35,502,463	$43,975,717
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,585,965	$ 3,024,604
Accrued liabilities	719,569	751,399
Income taxes payable	628,337	1,216,995

Total current liabilities	2,933,871	4,992,998
Long term liabilities:		
Deferred income taxes	3,465,294	4,255,096
Reserve for future site restoration costs	869,225	934,790
Total long term liabilities	4,334,519	5,189,886
Minority interests	10,614,562	14,696,267
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 and 50,000,000 shares		
Outstanding 24,874,226 and 25,108,226 shares	248,742	251,082
Capital in excess of par value	43,373,260	43,586,606
Total capital	43,622,002	43,837,688
Accumulated deficit	(16,123,164)	(16,914,420)
Accumulated other comprehensive loss	(9,879,327)	(7,826,702)
Total stockholders' equity	17,619,511	19,096,566
Total liabilities, minority interests and stockholders' equity	$35,502,463	$43,975,717

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

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION
FORM 10-Q

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<TABLE>
<CAPTION>

	Three months ended March 31,		Nine months ended March 31,	
	2001	2000	2001	2000
Revenues:				
<S>	<C>	<C>	<C>	<C>
Oil sales	$ 1,117,802	$ 1,190,005	$3,616,386	$3,223,037
Gas sales	1,957,262	2,615,655	6,183,512	7,996,419
Other production related revenues	245,123	266,234	710,407	734,109
Interest income	209,069	209,613	709,326	579,758
	3,529,256	4,281,507	11,219,631	12,533,323
Costs and expenses:				
Production costs	620,691	965,165	2,545,703	3,306,523
Exploration and dry hole costs	308,663	185,775	1,517,943	1,319,673
Salaries and employee benefits	373,998	377,220	1,246,879	1,393,974
Depletion, depreciation and amortization	625,718	898,138	1,943,878	2,746,381
Auditing, accounting and legal services	38,813	46,681	195,562	277,537
Shareholder communications	32,623	28,393	153,920	167,619
Other administrative expenses	91,030	198,276	521,835	627,610
	2,091,536	2,699,648	8,125,720	9,839,317

Income before income taxes and minority interests	1,437,720	1,581,859	3,093,911	2,694,006
Income tax provision	488,641	490,506	1,080,714	187,553
Income before minority interests	949,079	1,091,353	2,013,197	2,506,453
Minority interests	526,870	594,490	1,221,941	1,536,825
Net income	$ 422,209	$ 496,863	$ 791,256	$ 969,628
Average number of shares outstanding				
Basic	24,967,351	25,108,226	25,051,876	25,108,226
Diluted	24,967,351	25,276,989	25,051,876	25,276,989
Net income per share (basic and diluted)	$ .02	$ .02	$.03	$ .04

</TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

<TABLE>
<CAPTION>

	Number of shares	Common Stock	Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive loss	Total	Comprehensive income (loss)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
July 1, 2000	25,108,226	$251,082	$43,586,606	$(16,914,420)	$(7,826,702)	$19,096,566	
Repurchase of common stock	(234,000)	(2,340)	(213,346)	-	-	(215,686)	
Net income	-	-	-	791,256	-	791,256	$ 791,256
Foreign currency translation adjustments	-	-	-	-	(2,396,651)	(2,396,651)	(2,396,651)
Unrealized gain on available for sale securities	-	-	-	-	344,026	344,026	344,026
Comprehensive loss							$(1,261,369)
March 31, 2001	24,874,226	$248,742	$43,373,260	$(16,123,164)	$(9,879,327)	$17,619,511	

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q
PART I - FINANCIAL INFORMATION
March 31, 2001

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Nine months ended March 31, 2001	2000
Operating Activities:		
<S>	<C>	<C>
Net income	$ 791,256	$ 969,628

Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,943,878	2,746,381
Deferred income taxes	-	73,563
Minority interests	1,221,941	1,536,825
Increase (decrease) in operating assets and liabilities:		
Accounts receivable	(538,152)	(2,974,730)
Reimbursable development costs	(37,283)	(59,097)
Other assets	(101,706)	(84,756)
Inventories	(194,562)	(138,692)
Accounts payable and accrued liabilities	(956,870)	1,061,868
Income taxes payable	(430,252)	298,430
Reserve for future site restoration costs	89,295	241,916
Net cash provided by operating activities	1,787,545	3,671,336
Investing Activities:		
Marketable securities sold (purchased)	182,579	(861,143)
Repurchase of common stock	(215,686)	-
Net additions to property and equipment	(1,907,511)	(1,695,497)
Net cash used in investing activities	(1,940,618)	(2,556,640)
Financing Activities:		
Dividends to MPAL minority shareholders	(593,034)	(730,709)
Exercise of MPC stock options	-	-
Net cash used in financing activities	(593,034)	(730,709)
Effect of exchange rate changes on cash and cash equivalents	(2,562,751)	(1,264,872)
Net decrease in cash and cash equivalents	(3,308,858)	(880,885)
Cash and cash equivalents at beginning of year	13,890,834	13,380,699
Cash and cash equivalents at end of period	$10,581,976	$12,499,814

</TABLE>

See accompanying notes.

Item 1. Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the Company's 51% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") and have been prepared in accordance with generally accepted accounting principles 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. Operating results for the three month and nine month periods ended March 31, 2001 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

The Company expects to receive its first payment of net production proceeds from the Kotaneelee gas field during May 2001. The Company's carried-interest account reached undisputed payout status in January 2001, according to the working-interest partners. Net proceeds due the Company after all disputed "processing fee" charges are taken into account, amounted to approximately $100,000 through February 2001. The Company expects that it will begin to report its share of Kotaneelee net proceeds as income during the fourth quarter of fiscal 2001 when collection of the amounts due is assured ($43,425 had been accrued in the fiscal year ended June 30, 2000).

Since March 2000, the operator of the Kotaneelee field has been reporting the disputed amount of the Company's share of net revenues being deposited in escrow. The April 2001 report provided information for production for the month of January 2001. Based on the reported data, the Company estimates that the total amount due to the Company at January 31, 2001 (before interest) was approximately $1.3 million, of which $422,000 has been deposited in escrow by the operator. The expected May payment does not include these amounts.

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 March 31, 2001, the Company had purchased 234,000 of its shares at a cost of approximately $216,000.

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 $7 million has been added to the costs being amortized. In addition, as the field continues to age, the cost of maintaining the field is expected to increase.

Note 6. Comprehensive Income (Loss)

Total comprehensive income (loss) during the three and nine months ended March 31, 2001 and 2000 were as follows:

<TABLE>
<CAPTION>

	Three months ended March 31,		Nine months ended March 31,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>

Net income	$ 422,209	$ 496,863	$ 791,256	$ 969,628
Foreign currency translation adjustments	(1,143,883)	(1,538,688)	(2,396,651)	(1,810,916)
Unrealized gain on available for sale securities	344,026	-	-	344,026
Total comprehensive loss	$(377,648)	$(1,041,825)	$(1,261,369)	$(841,288)

</TABLE>

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

Note 7. Investment in MPAL

During fiscal 2001, MPC has purchased 3,725 shares of MPAL at an approximate cost of $3,500 and increased its ownership in MPAL to 51.17%.

Note 8. Earnings 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 nine months ended March 31, 2001 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 2001 period.

Note 9. Segment Information

The Company has two reportable segments, MPC and its subsidiary, MPAL. Each company is in the same business. MPAL is also 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>
<CAPTION>

	Three months ended March 31,		Nine months ended March 31,	
	2001	2000	2001	2000
Revenues:				
<S>	<C>	<C>	<C>	<C>
MPC	$ 45	$ 46	$ 756	$ 933
MPAL	3,484	4,236	11,085	12,360
Elimination of intersegment dividend	-	-	(621)	(760)
Total consolidated revenues	$ 3,529	$ 4,282	$11,220	$ 12,533
Net income:				
MPC	$ (130)	$ (128)	$ 132	$ 124
MPAL	552	625	1,280	1,606
Elimination of intersegment dividend	-	-	(621)	(760)
Consolidated net income	$ 422	$ 497	$ 791	$ 970

</TABLE>

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

Note 10. Unrealized Gain on Securities Held for Investment

During August 1999, MPL sold its interest in the Tapia Canyon, California heavy oil project for its approximate cost of $101,000 and received shares of stock in the purchaser. During late December 2000, the purchaser became a public company(Sefton Resources, Inc) which is now listed on the London Stock Exchange. At March 31 2001, MPC owned approximately 3.3% of Sefton Resources, Inc. with a fair market value of $437,360 and a cost of $93,334. The $344,026 has been recorded as unrealized gain on available for sale securities. The shares of Sefton Resources, Inc. are restricted and cannot be sold before December 2001.

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.

The Company expects to receive its first payment of net production proceeds from the Kotaneelee gas field during May 2001. The Company's carried interest account reached undisputed payout status in January 2001, according to the working interest partners. Net proceeds due the Company, after all disputed "processing fee" charges are taken into account, amounted to approximately $100,000 through February 2001. The Company expects that it will begin to report its share of Kotaneelee net proceeds as income during the fourth quarter of fiscal 2001 when collection of the amounts due is assured ($43,425 had been accrued in the fiscal year ended June 30, 2000).

Since March 2000, the operator of the Kotaneelee field has been reporting the disputed amount of the Company's share of net revenues being deposited in escrow. The April 2001 report provided information for production for the month of January 2001. Based on the reported data, the Company estimates that the total amount due to the Company at January 31, 2001 (before interest) was approximately $1.3 million, of which $422,000 has been deposited in escrow by the operator. The expected May payment does not include these amounts.

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 March 31, 2001, the Company on a consolidated basis had approximately $11.6 million in cash and cash equivalents and marketable securities.

A summary of the major changes in cash and cash equivalents during the nine months ended March 31, 2001 is as follows:

Cash and cash equivalents at beginning of period	$13,891,000
Cash provided by operations	1,788,000
Net additions to property and equipment	(1,908,000)
Sale of marketable securities	183,000
Dividend to MPAL minority shareholders	(593,000)
Exchange loss on cash	(2,563,000)
Repurchase of common stock	(216,000)

Cash and cash equivalents at end of period	$10,582,000
	===========

As to MPC
- ---------

At March 31, 2001, Magellan Petroleum Corporation ("MPC"), on an unconsolidated basis, had working capital of approximately $2.4 million and an additional $1.1 million in marketable securities. MPC's annual operating budget is approximately $700,000 and its current cash position, its annual MPAL dividend, and the anticipated revenues from the Kotaneelee gas field should be adequate to meet its current cash requirements.

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 March 31, 2001, the Company had purchased 234,000 of its shares at a cost of approximately $216,000.

As to MPAL
- ----------

At March 31, 2001, MPAL had working capital of approximately $11.7 million. MPAL has budgeted approximately $3 million for exploration in fiscal 2001 as compared to the $2 million expended during fiscal 2000. . The current composition of MPAL's oil and gas reserves are such that the MPAL's future revenues in the long term is expected to be derived primarily from the sale of gas in Australia.

Three months ended March 31, 2001 vs. March 31, 2000

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

	Three months ended March 31,	
	2001	2000
MPC unconsolidated pretax loss	$(130,088)	$(128,440)
Share of MPAL pretax income	802,369	875,444

Share of MPAL income tax provision	(250,072)	(250,141)
	-----------	-----------
Consolidated net income	$ 422,209	$ 496,863
	===========	==========
Net income per share (basic & diluted)	$ .02	$ .02
	======	=====

Revenues

Oil sales decreased by 6% in the 2001 quarter to $1,118,000 from $1,190,000 in 2000 because of a 7% decrease in the number of units sold and the 16% Australian foreign exchange rate decrease discussed below which were partially offset by a 22% increase in oil prices. Oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. 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>
<CAPTION>

Three months ended March 31,

	2001 Sales		2000 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
<S>	<C>	<C>	<C>	<C>
Australia-Mereenie	43,673	A.$51.52	46,712	A.$42.34

</TABLE>

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

Gas sales decreased 25% to $1,957,000 in 2001 from $2,616,000 in 2000 because of the 10% decrease in the volume of gas sold, decreased prices and the 16% Australian foreign exchange rate decrease discussed below. 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>
<CAPTION>

Three months ended March 31,

	2001 Sales		2000 Sales	
	Bcf	Average price per mcf	bcf	Average price per mcf
Australia:		(A.$)		(A.$)
Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.178	3.15	.153	2.98
Darwin contract	.628	2.07	.588	2.02
Mereenie:				
Darwin contract	.821	2.58	.652	2.36
Other	.054	3.49	.484	3.12
	-------		-------	
Total	1.681		1.877	
	=====		=====	

</TABLE>

Other production related revenues decreased 8% to $245,000 in 2001 compared to $266,000 in 2000 primarily because MPAL's share of gas pipeline tariffs decreased to $227,000 in 2001 compared to $243,000 in 2000.

Interest income did not change during the periods and remained at $209,000.

Costs and Expenses

Production costs decreased 36% in 2001 to $621,000 from $965,000 in 2000. The costs relate primarily to the Mereenie field where substantial remedial work was performed in the 2000 period. In addition, production costs decreased 16% because of the effect of the Australian foreign exchange rate decrease discussed below.

Exploration and dry hole costs totaled $309,000 in 2001 compared to $186,000 in 2000. The 2001 costs relate primarily to the work being performed on MPAL's offshore Western Australia properties.

Salaries and employee benefits decreased 1% from $377,000 in 2000 to $374,000 in 2001.

Depletion, depreciation and amortization decreased 30% from $898,000 in 2000 to $626,000 in 2001 because of the decrease in oil and gas production and the 16% decrease in the Australian exchange rate discussed below.

Auditing, accounting and legal expenses decreased 17% from $47,000 in 2000 to $39,000 in 2001 primarily because of the 16% decrease in the Australian exchange rate discussed below.

Shareholder communications increased 15% from $28,000 in 2000 to $33,000 in 2001 because of the timing in which certain costs for the December 2000 annual meeting were incurred.

Other administrative expenses decreased 54% from $198,000 in 2000 to $91,000 in 2001 primarily because of the 16% decrease in the Australian exchange rate discussed below and a decrease in business taxes.

Income Taxes

Income tax expense decreased in 2001 to $489,000 from $491,000 in 2000. The components of income tax expense between MPC and MPAL were as follows:

	2001	2000
Pretax consolidated income	$ 1,438	$ 1,582
MPC's losses not recognized	130	128
Permanent differences	(129)	(346)
Book taxable income	$ 1,439	$ 1,364
Australian tax rate	34%	36%
Australian income tax provision	$ 489	$ 491
MPC income tax	-	-
Consolidated income tax provision	$ 489	$ 491
Effective tax rate	34%	31%

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to $.4853 at March 31, 2001 compared to a value of $.5588 at December 31, 2000. This resulted in a

$1,144,000 charge to the foreign currency translation adjustments account for the three months ended March 31, 2001. The average exchange rate used to translate MPAL's operations in Australia was $.5312 for the quarter ended March 31, 2001, which is a 16% decrease compared to the $.6315 rate for the quarter ended March 31, 2000.

Nine months ended March 31, 2001 vs. March 31, 2000.

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

	Nine months ended March 31, 2001	2000
MPC unconsolidated pretax loss	$(489,109)	$(521,706)
MPC income tax	-	(113,990)
Share of MPAL pretax income	1,833,338	1,642,907
Share of MPAL income tax provision	(552,973)	(37,583)
Consolidated net income	$ 791,256	$ 969,628
Net income per share (basic & diluted)	$ .03	$ .04

Revenues

Oil sales increased by 12% in the 2001 period to $3,616,000 from $3,223,000 in 2000 because of a 50% increase in oil prices which was partly offset by the 15% Australian foreign exchange decrease as discussed below and by a 10% decrease in the number of units sold. Oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. 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:
<TABLE>
<CAPTION>

	Nine months ended March 31, 2001 Sales: Bbls	Average price per bbl	2000 Sales: bbls	Average price per bbl
<S>	<C>	<C>	<C>	<C>
Australia-Mereenie	129,877	A.$55.08	144,050	A.$36.63

</TABLE>

Gas sales decreased 23% to $6,184,000 in 2001 from $7,996,000 in 2000 because of the 15% Australian foreign exchange decrease discussed below and a 9% decrease in the

volume of gas sold which were partially offset by increased prices (up an average 1%). 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>
<CAPTION>

	Nine months ended March 31,			
	2001 Sales		2000 Sales	
	bcf	Average price per mcf	bcf	Average price Per mcf
Australia:		(A.$)		(A.$)
Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.745	3.10	.722	2.96
Darwin contract	1.658	2.06	1.722	2.02
Mereenie:				
Darwin contact	2.316	2.51	1.909	2.30
Other	.382	3.23	1.276	3.06
Total	5.101		5.629	

</TABLE>

Other production related revenues decreased 3% to $710,000 in 2001 compared to $734,000 in 2000 primarily because MPAL's share of gas pipeline tariffs decreased to $648,000 in 2001 compared to $663,000 in 2000.

Interest income increased 22% in 2001. The increase from $580,000 in 2000 to $709,000 in 2001 resulted from higher interest rates and more funds available for investment which was partially offset by the 15% decrease in Australian foreign exchange rate as discussed below.

Costs and Expenses

Production costs decreased 23% in 2001 to $2,546,000 from $3,307,000 in 2000 primarily because of the 15% decrease in the Australian exchange rate discussed below. The costs relate primarily to the Mereenie field where substantial remedial work was performed in the 2000 period.

Exploration and dry hole costs totaled $1,518,000 in 2001 compared to $1,320,000 in 2000. The 2001 costs relate 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 2001 period.

Salaries and employee benefits decreased 11% to $1,247,000 from $1,394,000 in 2000. The Australian foreign exchange rate decreased 15% during the 2001 period.

Depreciation, depletion and amortization decreased 29% in 2001 to $1,944,000 from $2,746,000 in 2000 because of the decrease in oil and gas production and the 15% decrease in the Australian exchange rate discussed below.

Auditing, accounting and legal expenses decreased 30% in 2001 to $196,000 from $278,000 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 15% decrease in the Australian exchange rate as discussed below.

Shareholder communications decreased 8% in 2001 to $154,000 compared to $168,000 in 2000.

Other administrative expenses decreased 17% from $628,000 in 2000 to $522,000 in 2001. There was a 15% decrease in the Australian exchange rate discussed below. In addition, there was a decrease in business taxes during the 2001 period.

Income Taxes

Income tax expense increased in 2001 to $1,081,000 from $188,000 in 2000. The components of income tax expense between MPC and MPAL were as follows:

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Pretax consolidated income	$ 3,094	$ 2,694
MPC's losses not recognized	489	522
Permanent differences	(403)	(1,008)
Book taxable income	$ 3,180	$ 2,208
Australian tax rate	34%	36%
Australian income tax provision	$ 1,081	$ 795
Australian income tax benefit from rate change	-	(721)
MPC income tax	-	114
Consolidated income tax provision	$ 1,081	$ 188
Effective tax rate	35%	7%

</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 decreased to $.4853 at March 31, 2001 compared to a value of $.5968 at June 30, 2000. This resulted in a $2,397,000 charge to the foreign currency translation adjustments account for the nine months ended March 31, 2001. The 19% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance sheet at March 31, 2001 from the June 30, 2000 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.5459 for the nine months ended March 31, 2001, which is a 15% decrease compared to the $.6418 rate for the March 31, 2000 period.

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 risk sensitive instruments are its investments in marketable securities.

At March 31, 2001, the carrying value of such investments (including those classified as cash and cash equivalents) was approximately $13.3 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.

M AGELLAN PETROLEUM CORPORATION

FORM 10-Q
PART II - OTHER INFORMATION

March 31, 2001

Item 5. Other Information.
- ------- ------------------

MPAL (17.5%) and its partners in the Browse Basin in offshore Western Australia have identified a number of prospects that merit drilling. Accordingly, the joint venture is planning to drill a well in each of WA-281-P and WA-283-P during the 3rd quarter of calendar year 2001.

Item 6. Exhibits and Reports on Form 8-K
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(a) Exhibits

None.

(b) Reports on Form 8-K

None.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q
MARCH 31, 2001

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: May 15, 2001 By /s/ James R. Joyce

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