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

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

For the fiscal year ended June 30, 2002

OR

[ ] 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)

Registrant's telephone number, including area code (203) 245-7664

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $.01 per share	Boston Stock Exchange

Securities registered pursuant to Section 12(g) of the Act
(Title of Class)

Common stock, par value $.01 per share NASDAQ SmallCap Market

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss.229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. |X|

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was $19,548,000 at September 23, 2002.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Common stock, par value $.01 per share, 24,607,376 shares outstanding as of September 23, 2002.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement related to the Annual Meeting of Stockholders for the fiscal year ended June 30, 2002, are incorporated by reference in Part III of this Form 10-K to the extent stated herein.

TABLE OF CONTENTS

	Page
PART I	
Item 1. Business	4
Item 2. Properties	15
Item 3. Legal Proceedings	21
Item 4. Submission of Matters to a Vote of Security Holders	23
PART II	
Item 5. Market for the Company's Common Stock and Related Stockholder Matters	24
Item 6. Selected Consolidated Financial Information	25
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	26
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	36
Item 8. Financial Statements and Supplementary Data	37
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	73
PART III	
Item 10. Directors and Executive Officers of the Company	73
Item 11. Executive Compensation	73
Item 12. Security Ownership of Certain Beneficial Owners and Management	73
Item 13. Certain Relationships and Related Transactions	73
PART IV	
Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	74

Unless otherwise indicated, all dollar figures set forth herein are in United States currency. Amounts expressed in Australian currency are indicated as "A.$00". The exchange rate at September 23, 2002 was approximately A.$1.00 equaled U.S. $.54 .

PART I

Item 1. Business

Magellan Petroleum Corporation (the Company or MPC) is engaged, directly and indirectly, through its majority-owned subsidiary, in the sale of oil and gas and the exploration for and development of oil and gas reserves. At June 30, 2002, MPC's principal asset was a 52% equity interest in its subsidiary, Magellan Petroleum Australia Limited (MPAL), which has one class of stock that is publicly held and traded in Australia.

MPAL's major assets are two petroleum production leases covering the Mereenie oil and gas field (35% working interest) and one petroleum production lease covering the Palm Valley gas field (52% working interest). Both fields are located in the Amadeus Basin in the Northern Territory of Australia. Santos Ltd., a publicly owned Australian company, owns a 48% interest in the Palm Valley field, a 65% interest in the Mereenie field and 18.2% of MPAL's outstanding stock. Origin Energy Limited, a publicly owned Australian company, owned 17.1% of MPAL's outstanding stock at June 30, 2002.

MPC has a direct 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory of Canada. See Item 3 - Legal Proceedings.

The following chart illustrates the various relationships between MPC and the various companies discussed above.

The following is a tabular presentation of the omitted material:

MPC - MPAL RELATIONSHIPS CHART

MPC owns 52% of MPAL.
MPC owns 2.67% of the Kotaneelee Field, Canada.
MPAL owns 52% of the Palm Valley Field, Australia.
MPAL owns 35% of the Mereenie Field, Australia.
Origin Energy Limited owns 17.1% of MPAL.
SANTOS owns 18.2% of MPAL.
SANTOS owns 48% of the Palm Valley Field, Australia.
SANTOS owns 65% of the Mereenie Field, Australia.

(a) General Development of Business.

Operational Developments Since the Beginning of the Last Fiscal Year.

AUSTRALIA

Mereenie

MPAL (35%) and Santos (65%), the operator, (together known as the Mereenie Producers) own the Mereenie field which is located in the Amadeus Basin of the Northern Territory. MPAL's share of the Mereenie field proved developed oil reserves was approximately 520,000 barrels and 14.4 billion cubic feet (bcf) of gas at June 30, 2002.

During fiscal 2002, MPAL's share of oil sales was 162,000 barrels and 3.6 bcf of gas sold which is subject to net overriding royalties aggregating 3.0625% and the statutory government royalty of 10%. The oil is transported by means of a 167 mile eight-inch oil pipeline from the field to an industrial park near Alice Springs. Most of the oil is then shipped south approximately 950 miles by rail and road to a refinery in the Adelaide area. The cost of transporting the oil to the refinery is being borne by the producers. The Mereenie Producers are providing Mereenie gas in the Northern Territory to the Power and Water Authority (PAWA) and Gasgo Pty. Ltd., a company PAWA wholly owns, for use in Darwin and other Northern Territory centers. See "Gas Supply Contracts" below.

The leases covering the Mereenie field are due to expire in November 2002 and applications have been made to the Northern Territory governmental authorities to renew the leases. Concurrently, negotiations have commenced with the Aboriginal landowners. MPAL expects that the leases will be renewed.

Palm Valley

MPAL has a 52% interest in, and is the operator, of the Palm Valley gas field which is also located in the Amadeus Basin of the Northern Territory. Santos, the operator of the Mereenie field, owns the remaining 48% interest in Palm Valley which provides gas to meet the Alice Springs and Darwin supply contracts with PAWA. See "Gas Supply Contracts" below. MPAL's share of the Palm Valley proved developed reserves was 14.7 bcf at June 30, 2002. Effective December 1, 2001, MPAL acquired the 1.248% interest in the Palm Valley field held by Kufpec Australia Pty, Ltd. for approximately $270,000 and increased its interest from 50.8% to 52%. During fiscal 2002, MPAL's share of gas sales was 3.2 bcf which is subject to a 10% statutory government royalty and net overriding royalties aggregating 5%. As of June 30, 2001, the remaining estimated proved reserves at Palm Valley were reduced by approximately 46% to reflect the inability of the field to deliver the amount of gas that has been contracted. Under the terms of the sales contract, PAWA is obligated to pay for the capital costs of maintaining production levels to meet the annual contract volumes. For more than five years, PAWA has been on notice that additional drilling would be necessary to meet the contract supply requirements. The Palm Valley producers and PAWA have executed a Heads of Agreement to resolve these matters with the likely drilling of a well at Palm Valley in the second quarter of calendar year 2003.

Gas Supply Contracts

In 1983, the Palm Valley Producers (MPAL and Santos) commenced the sale of gas to Alice Springs under a 1981 agreement. In 1985, the Palm Valley Producers and Mereenie Producers signed agreements for the sale of gas to PAWA for use in PAWA's Darwin generating station and at a number of other generating stations in the Northern Territory. The gas is being delivered via the 922 mile Amadeus Basin to Darwin gas pipeline which was built by an Australian consortium. Since 1985, there have been several additional contracts for the sale of Mereenie gas. Both the Palm Valley and Mereenie contracts expire in the year 2009. Under the 1985 contracts, there is a difference in price between Palm Valley gas and most of the Mereenie gas for the first 20 years of the 25 year contracts which takes into account the additional cost to the pipeline consortium to build a spur line to the Mereenie field and increase the size of the pipeline from Palm Valley to Mataranka.

At June 30, 2002, MPAL's commitment to supply gas under the above agreements as revised under the Heads of Agreement discussed above was as follows:

Period	Bcf
Less than one year	6.91
Between 1-5 years	25.38
Greater than 5 years	15.02
Total	47.31

Dingo Gas Field

MPAL has a 34.3% interest in the Dingo gas field which is subject to renewal in 2003. The Dingo gas field, which is located in the Amadeus Basin in the Northern Territory, has approximately 25 bcf of presently proved and recoverable reserves based on four delineation wells. MPAL's share of potential production from these permit areas is subject to a 10% statutory government royalty and overriding royalties aggregating 2.5043%.

Browse Basin

During fiscal year 1999, MPAL (17.5%) and its partners were granted exploration permits WA-281-P, WA-282-P and WA-283-P in the Browse Basin offshore Western Australia. After a three year program of 2D and 3D seismic acquisition to define drilling prospects in the permits, two wells were drilled during fiscal year 2002. Both wells were dry holes at a total cost of $2.7 million to MPAL and the cost is included in exploratory and dry hole costs. MPAL has withdrawn from all of these permits.

During fiscal year 2000, MPAL was granted exploration blocks WA-287-P and WA-288-P in the Eastern Browse Basin. During fiscal 2001, MPAL applied for a permit over area WA-311-P which is adjacent to WA-288-P and the permit was granted on September 3, 2001. At June 30, 2002, MPAL's share (100%) of the work obligations of the three permits totaled $9,887,000 ($112,000 obligatory and $9,775,000 discretionary). MPAL has reached an agreement in principle with INPEX Corporation, a Japanese company, to farm out permits WA-288-P and WA-311-P. INPEX will earn a 65% interest in each permit by paying for the cost of drilling a well, Strumbo-1, in early 2003. MPAL will retain a 35% interest in the permits.

Carnarvon Basin

During fiscal year 1999, MPAL was awarded permit WA-291-P, offshore Western Australia in the Carnarvon Basin. At June 30, 2002, MPAL's share (100%) of the work obligations of the permit totaled $4,074,000 all of which is discretionary. Tap Oil, an Australian company, has agreed to participate in the drilling of a well on the permit and will earn a 15% interest in the permit. MPAL is seeking additional partners to share the cost of drilling a well.

Maryborough Basin

MPAL holds a 98% interest in exploration permit ATP 613P, in the Maryborough Basin in Queensland, Australia. MPAL (100%) also has an application pending for permit ATP 674P which is adjacent to ATP 613P. MPAL is seeking partners to drill a well to test the gas potential of the block in exchange for an interest in the permit. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $1,128,000 ($423,000 obligatory and $705,000 discretionary).

Cooper Basin

During fiscal year 1999, MPAL (50%) and its partner Beach Petroleum NL were successful in bidding for two exploration blocks (PEL 94 and PEL 95) in South Australia's Cooper Basin. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $2,903,000 ($2,086,000 obligatory and $817,000 discretionary). During August 2002, Maslins-1, the first of a three well program, was drilled. The well was a dry hole. The second well, Aldinga-1 was completed in September 2002. The well has been cased and suspended for future completion for oil production. Production testing is scheduled for the fourth quarter of 2002. The third well, Henley-1, which was drilled in early September 2002, was a dry hole. Each well is estimated to cost approximately $550,000 (MPAL share - $275,000).

During fiscal year 2001, MPAL (50%) and its partner Beach Petroleum NL were also successful in bidding for two additional exploration blocks (PELA 110 and PELA 116) in the Cooper Basin. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $1,959,000 ($1,043,000 obligatory and $916,000 discretionary).

Canning Basin

During fiscal year 2001, MPAL acquired a 37.5% working interest in each of exploration permits WA-306-P and WA-307-P in the Barcoo Sub-basin of the offshore Canning Basin adjacent to the Browse Basin. Antrim Energy, a Canadian company, is the operator of the joint venture. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $254,000 all of which is obligatory.

NEW ZEALAND

During fiscal year 2001, MPAL earned a 7.5% interest in permit PEP 38256 in the Canterbury Basin of New Zealand by funding part of the cost of drilling the Ealing-1 exploration well which was plugged and abandoned. The cost of approximately $336,000 was included in exploratory and dry hole costs during fiscal year 2001. There are no work obligations at June 30, 2002.

During fiscal 2002, MPAL (100%) was granted exploration permit PEP 38222 offshore south of the South Island of New Zealand. At June 30, 2002, MPAL's share of the work obligations of the permit totaled $10,131,000 ($142,000 obligatory and $9,989,000 discretionary).

UNITED KINGDOM

During fiscal year 2001, MPAL acquired a 30% interest in two licenses in southern England in the Weald-Wessex basin. The two licenses; PEDL 098 in the Isle of Wight and PEDL 099 in the Portsdown area of Hampshire, were each granted for a period of six years. At June 30, 2002, MPAL's share of the work obligations of the permit total $622,000, all of which is obligatory.

During fiscal year 2002, MPAL acquired two additional licenses in southern England. The two licenses; PEDL 113 (30%) in the Isle of Wight and PEDL 112 (33 1/3%) in the Kent area on the margin of the Weald-Wessex basin were each granted for a period of six years. At June 30, 2002, MPAL's share of the work obligations of the permit totaled $611,000, ($99,000 obligatory and $512,000 discretionary).

UNITED STATES

Baca County, Colorado

During fiscal 2002, MPAL held leases in Baca County, Colorado, in which an exploration company drilled two wells during late 2001. MPAL elected to participate (25%) in the completion of the wells for production, both of which were dry holes. MPAL has now withdrawn from the area. The cost of approximately $62,000 is included in exploratory and dry hole costs.

CANADA

MPC owns a 2.67% carried interest in a lease (31,885 gross acres, 850 net acres) in the southeast Yukon Territory, Canada, which includes the Kotaneelee gas field. Devon Canada Corporation is the operator of this partially developed field which is connected to a major pipeline system. During the month of June 2002, average production from the field was approximately 36.7 million cubic feet per day compared to 41.8 million cubic feet per day in June 2001.

Production at Kotaneelee commenced in February 1991. According to government reports, total production in bcf from the Kotaneelee gas field for the calendar years 1991 through 2001 has totaled 181 bcf as follows: 1991 - 8.1, 1992 - 18.0, 1993 -17.5, 1994 - 16.7, 1995 - 15.7, 1996 - 15.2, 1997 - 14.4, 1998 - 16.0, 1999 - 22.3, 2000 - 20.2 and 2001 - 16.9.

On January 19, 2001, MPC's carried interest account in the Kotaneelee gas field reached undisputed payout status. During fiscal year 2001, MPC began accruing its share of Kotaneelee net proceeds as income. MPC began receiving regular payments of its share of Kotaneelee gas revenues during December 2001. See Item 3 - Legal Proceedings for a discussion of litigation relating to the Kotaneelee field which may affect the status of the carried interest and the amount of the carried interest account.

(b) Financial Information about Industry Segments.

Company is engaged in only one industry, namely, oil and gas exploration, development, production and sale. The Company conducts such business through its two operating segments; MPC and its majority owned subsidiary MPAL. See Item 8. Notes 11 and 12 to the Consolidated Financial Statements.

(c) (1) Narrative Description of the Business.

MPC was incorporated in 1957 under the laws of Panama and was reorganized under the laws of Delaware in 1967. MPC is directly engaged in the exploration for, and the development and production and sale of oil and gas reserves in Canada, and indirectly through its subsidiary MPAL in Australia, New Zealand and the United Kingdom.

(i) Principal Products.

MPAL has an interest in the Palm Valley gas field and in the Mereenie oil and gas field. See Item 1(a) - Australia - for a discussion of the oil and gas production from the Mereenie and Palm Valley fields. MPC has a direct 2.67% carried interest in the Kotaneelee gas field in Canada.

(ii) Status of Product or Segment.

See Item 1(a) - Australia - for a discussion of the current and future operations of the Mereenie and Palm Valley fields in Australia. See Item 3. Legal Proceedings for a discussion of MPC's interest in the Kotaneelee field in Canada.

(iii) Raw Materials.

Not applicable.

(iv) Patents, Licenses, Franchises and Concessions Held.

MPAL has interests directly and indirectly in the following permits. Permit holders are generally required to carry out agreed work and expenditure programs.
<TABLE>
<CAPTION>

Permit	Expiration Date	Location
<S>	<C>	<C>
Petroleum Lease No. 4 and No.5 (Mereenie)	November 2002	Northern Territory
Petroleum Lease No. 3 (Palm Valley)	November 2003	Northern Territory
Retention License 2 (Dingo)	October 2003	Northern Territory
ATP 613P (Maryborough)	March 2003	Queensland
ATP 674P (Maryborough)	Application pending	Queensland
WA-291-P (Carnarvon Basin)	August 2005	Offshore Western Australia
WA-287-P (Browse Basin)	February 2005	Offshore Western Australia
WA-288-P (Browse Basin)	February 2005	Offshore Western Australia
WA-311-P (Bonaparte Basin)	September 2007	Offshore Western Australia
WA-306-P (Canning Basin)	July 2006	Offshore Western Australia
WA-307-P (Canning Basin)	August 2006	Offshore Western Australia
PEL 94(Cooper Basin)	November 2006	South Australia
PEL 95 (Cooper Basin)	October 2006	South Australia
PELA 110(Cooper Basin)	Application pending	South Australia
PELA 116 (Cooper Basin)	Application pending	South Australia
PEP 38256 (Canterbury Basin)	Renewal pending	New Zealand
PEP 38222 (Great South)	April 2007	New Zealand
PEDL 098 (Weald/Wessex Basins)	September 2006	United Kingdom
PEDL 099 (Weald/Wessex Basins)	September 2006	United Kingdom
PEDL 112 (Weald/Wessex Basins)	January 2008	United Kingdom
PEDL 113 (Weald/Wessex Basins)	January 2008	United Kingdom

</TABLE>

Leases issued by the Northern Territory are subject to the Petroleum (Prospecting and Mining) Act of the Northern Territory. Lessees have the exclusive right to produce petroleum from the land subject to a lease upon payment of a rental and a royalty at the rate of 10% of the wellhead value of the petroleum produced. Rental payments may be offset against the royalty paid. The term of a lease is 21 years, and leases may be renewed for successive terms of 25 years each.

Since 1992, there has been an ongoing controversy regarding the

Aborigines and the ownership of their traditional lands. There has been legislation aimed at resolving this controversy. The Company does not believe that this issue will have a material adverse impact on MPAL's properties.

(v) Seasonality of Business.

Although the Company's business is not seasonal, the demand for oil and especially gas is subject to fluctuations in the Australian weather.

(vi) Working Capital Items.

See Item 7 - Liquidity and Capital Resources for a discussion of this information.

(vii) Customers.

Although the majority of MPAL's producing oil and gas properties are located in a relatively remote area in central Australia (See Item 1 - Business and Item 2 - Properties), the completion in January 1987 of the Amadeus Basin to Darwin gas pipeline has provided access to and expanded the potential market for MPAL's gas production.

Natural Gas Production

MPAL's principal customer and the most likely major customer for future gas sales is PAWA, a governmental authority of the Northern Territory Government, which also has substantial regulatory authority over MPAL's oil and gas operations. The loss of PAWA as a customer would have a material adverse effect on MPAL's business.

Oil Production

There is presently a small local market for the Mereenie crude oil in the Alice Springs area. Most of the crude oil production is being shipped and sold to a refinery in Adelaide.

(viii) Backlog.

Not applicable.

(ix) Renegotiation of Profits or Termination of Contracts or Subcontracts at the Election of the Government.

Not applicable.

(x) Competitive Conditions in the Business.

The exploration for and production of oil and gas are highly competitive operations. The ability to exploit a discovery of oil or gas is dependent upon such considerations as the ability to finance development costs, the availability of equipment, and the possibility of engineering and construction delays and difficulties. The Company also must compete with major oil and gas companies which have substantially greater resources than the Company.

Furthermore, various forms of energy legislation which have been or may be proposed in the countries in which the Company holds interests may substantially affect competitive conditions. However, it is not possible to predict the nature of any such legislation which may ultimately be adopted or its effects upon the future operations of the Company.

At the present time, the Company's principal income producing operations are in Australia and for this reason, current competitive conditions in Australia are material to the Company's future. Currently, most indigenous crude oil is consumed within Australia. In addition, imports of crude oil are made by refiners and others to meet the overall demand in Australia. The Palm

Valley Producers and the Mereenie Producers are developing and separately marketing the production from each field. Because of the relatively remote location of the Amadeus Basin and the inherent nature of the market for gas, it would be impractical for each working interest partner to attempt to market its respective share of production from each field.

(xi) Research and Development.

Not applicable.

(xii) Environmental Regulation.

The Company is subject to the environmental laws and regulations of the jurisdictions in which it carries on its business, and existing or future laws and regulations could have a significant impact on the exploration for and development of natural resources by the Company. However, to date, the Company has not been required to spend any material amounts for environmental control facilities. The federal and state governments in Australia strictly monitor compliance with these laws but compliance therewith has not had any adverse impact on the Company's operations or its financial resources.

At June 30, 2002, the Company had accrued $1,242,000 for future site restoration costs for the Mereenie, Palm Valley and Dingo fields. The balance of the estimated liability was $2,806,000 at June 30, 2002. In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143). SFAS No. 143 addresses the accounting for obligations arising from the retirement of tangible long-lived assets and expands the scope to include obligations that are identifiable by the entity upon acquisition, construction and during the operating life of a long-lived asset. The statement requires asset retirement obligations (AROs) to be initially measured at fair value at the time the obligation is incurred. SFAS No. 143 is effective for the Company's 2003 fiscal year. The Company is currently assessing SFAS No. 143 and the accounting for future site restoration costs to determine whether there will be any significant effect on earnings or the financial condition of the Company.

(xiii) Number of Persons Employed by Company.

At June 30, 2002, MPC had one part-time employee in the United States and MPAL had 30 employees in Australia. MPC relies to a great extent on consultants for legal, accounting, administrative and geological services.

(d) Financial Information About Foreign and Domestic Operations and Export Sales.

(1) Financial Information Relating to Foreign and Domestic Operations.

See Note 12 to the Consolidated Financial Statements.

(2) Risks Attendant to Foreign Operations.

Most of the properties in which the Company has interests are located outside the United States and are subject to certain risks involved in the ownership and development of such foreign property interests. These risks include but are not limited to those of: nationalization; expropriation; confiscatory taxation; changes in foreign exchange controls; currency revaluations; price controls or excessive royalties; export sales restrictions; limitations on the transfer of interests in exploration licenses; and other laws and regulations which may adversely affect the Company's properties, such as those providing for conservation, proration, curtailment, cessation, or other limitations of controls on the production of or exploration for hydrocarbons. Thus, an investment in the Company represents a speculation with risks in addition to those inherent in domestic petroleum exploratory ventures.

Since 1992, there has been an ongoing controversy regarding the Aborigines and the ownership of their traditional lands. There has been legislation aimed at resolving this controversy. The Company does not believe that this issue will have a material adverse impact on MPAL's properties.

(3) Data Which are Not Indicative of Current or Future Operations.

None.

Item 2. Properties.

(a) MPC has interests in properties in Australia through its 52% equity interest in MPAL which holds interests in the Northern Territory, Queensland, South Australia and Western Australia. MPAL also has interests in New Zealand and the United Kingdom. In Canada, MPC has a direct interest in one lease. For additional information regarding the Company's properties, See Item 1 - Business.

(b) (1) The information regarding reserves, costs of oil and gas activities, capitalized costs, discounted future net cash flows and results of operations is contained in Item 8 - Financial Statements and Supplementary Data.

The following graphic presentation has been omitted, but the following is a description of the omitted material:

AUSTRALIAN MAP WITH MPAL PROJECTS SHOWN

The following graphic presentation has been omitted, but the following is a description of the omitted material:

AMADEUS BASIN PROJECTS MAP

The map indicates the location of the Amadeus Basin interests in the Northern Territory of Australia. The following items are identified:

Palm Valley Gas Field
Mereenie Oil & Gas Field
Dingo Gas Field
Palm Valley - Alice Springs Gas Pipeline
Palm Valley - Darwin Gas Pipeline
Mereenie Spur Gas Pipeline

The following graphic presentation has been omitted, but the following is a description of the omitted material:

CANADIAN PROPERTY INTERESTS MAP

The map indicates the location of the Kotaneelee Gas Field in the Yukon Territories of Canada. The map identifies the following items:

Kotaneelee Gas Field
Pointed Mountain Gas Field
Beaver River Gas Field

(2) Reserves reported to other agencies.

None

(3) Production.

The average sales price per unit of production for the following fiscal years are as follows:

	June 30, 2002	2001	2000
Australia:			
Gas (per mcf)	A.$ 2.53	A.$ 2.53	A.$ 2.51
Crude oil (per bbl)	A.$41.70	A.$54.64	A.$39.14

The average production cost per unit of production for the following fiscal years has been impacted by transportation costs on Mereenie oil in Australia. During fiscal 2002 and 2001, the cost of remedial work on various wells in the Mereenie field and lower production levels increased production costs.

	June 30, 2002	2001	2000
Australia:			
Gas (per mcf)	A.$ .46	A.$ .43	A.$ .46
Crude oil (per bbl)	A.$ 25.09	A.$ 21.24	A.$ 17.91

(4) Productive Wells and Acreage.

Productive wells and acreage at June 30, 2002:

<TABLE>
<CAPTION>

	Productive Wells Oil Gross	Net	Gas Gross	Net	Developed Acreage Gross Acres	Net Acres
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Australia	25.0	8.8	16.0	6.37	72,025	30,001
Canada	-	-	2.0	.05	3,350	89
	25.0	8.8	18.0	6.42	75,375	30,090

</TABLE>

(5) Undeveloped Acreage.

The Company's undeveloped acreage (except as indicated below) is set forth in the table below:

GROSS AND NET ACREAGE AS OF JUNE 30, 2002

MPAL has interests in the following properties (before royalties). MPC has an interest in these properties through its 52% interest in MPAL.

<TABLE>
<CAPTION>

	MPAL			The Company	
	Gross Acres	Net Acres	Interest %	Net Acres	Interest %
Australia					
Northern Territory:					
Amadeus Basin:					
<S>	<C>	<C>	<C>	<C>	<C>
Mereenie (OL4&5)(1)	69,407	24,292	35.00	12,632	18.20
Palm Valley (OL3)(2)	151,905	79,026	52.00	41,094	27.05
Dingo (RL2)	115,596	39,696	34.34	20,642	17.86
Total Amadeus Basin	336,908	143,014		74,368	
Queensland:					
Maryborough Basin (ATP 613P)	342,836	335,979	98.00	174,709	50.96
Maryborough Basin (ATP 674P)	1,942,161	1,942,161	100.00	1,009,924	52.00
	2,284,997	2,278,140		1,184,633	
South Australia:					
Cooper Basin (PEL94/95)	1,621,802	810,902	50.00	421,669	26.00
Cooper Basin (PELA110/116)	1,058,395	529,198	50.00	275,183	26.00
	2,680,197	1,340,100		696,852	
Western Australia:					
Carnarvon WA-291-P	2,205,710	2,205,710	100.00	1,146,969	52.00
Browse WA-287-P	515,736	515,736	100.00	268,183	52.00
Browse WA-288-P	513,266	513,266	100.00	266,898	52.00
Browse WA-311-P	492,765	492,765	100.00	256,238	52.00
Canning WA-306/307	1,986,621	744,983	37.50	387,391	19.50
	5,714,098	4,472,460		2,325,679	
United Kingdom					
PEDL098/099	96,083	28,825	30.00	14,989	15.60
PEDL112	98,800	32,933	33.33	17,125	17.33
PEDL113	29,640	8,892	30.00	4,624	15.60
	224,523	70,650		36,738	
New Zealand					
PEP38222	3,015,870	3,015,870	100.00	1,568,252	52.00
PEP38746/48/53	53,599	13,400	25.00	6,968	13.00
PEP 38256	1,372,332	102,925	7.50	53,521	3.90
	4,441,801	3,132,195		1,628,741	
Total MPAL	15,682,524	11,436,559		5,947,011	
Properties held directly by MPC:					
Canada					
Yukon and Northwest Territories:					
Carried interest(3)	31,885			850	2.67

Total	15,714,409	5,947,861

- ----------------------------

(1) Includes 41,644 gross developed acres and 14,575 net acres.
(2) Includes 30,381 gross developed acres and 15,426 net acres.
(3) Includes 3,350 gross developed acres and 89 net acres.
</TABLE>

(6) Drilling activity.

Productive and dry net wells drilled during the following years (data concerning Canada is insignificant):

Australia/New Zealand

Year ended June 30,	Exploration Productive	Exploration Dry	Development Productive	Development Dry
2002	-	.35	-	-
2001	-	.12	-	-
2000	-	-	.70	-

Americas

Year ended June 30,	Exploration Productive	Exploration Dry	Development Productive	Development Dry
2002	-	.50	-	-
2001	-	-	-	-
2000	-	-	-	-

(7) Present Activities.

There were no wells being drilled at June 30, 2002. See Item 1 - Cooper Basin for a discussion of the present activities of MPAL.

(8) Delivery Commitments.

See discussion under Item 1 concerning the Palm Valley and Mereenie fields.

Item 3. Legal Proceedings.

Kotaneelee Gas Field

MPC's 2.67% carried interest in the Kotaneelee gas field is held in trust by Canada Southern Petroleum Ltd. (Canada Southern) which has a 30% carried interest in the field. Canada Southern and MPC (the plaintiffs) believe that the working interest owners in the Kotaneelee gas field had not adequately pursued the attainment of contracts for the sale of Kotaneelee gas.

In October 1989 and March 1990, Canada Southern filed statements of claim in the Court of Queens Bench of Alberta, Judicial District of Calgary, Canada, against the working interest partners in the Kotaneelee gas field. MPC was subsequently added as a Plaintiff in the action. The named defendants were Amoco Canada Petroleum Corporation, Ltd., Dome Petroleum Limited (now Amoco Canada Resources Ltd.), and Amoco Production Company (collectively the "Amoco Dome Group"), Columbia Gas Development of Canada Ltd., Mobil Oil Canada Ltd. ("Mobil") and Esso Resource of Canada Ltd. (collectively the defendants).

The plaintiffs claim that the defendants breached a contractual obligation and a fiduciary duty owed to the Plaintiffs to market gas from the

Kotaneelee gas field when it was possible. The plaintiffs assert that marketing the Kotaneelee gas was possible in 1984 and that the defendants deliberately failed to do so. The plaintiffs seek monetary damages and the forfeiture of the Kotaneelee gas field. The plaintiffs presented evidence at trial that the monetary damages sustained by the plaintiffs were approximately Cdn.$110 million (MPC share-U.S.$5.5 million).

In addition, the Plaintiffs claimed that the Plaintiffs' carried interest account should be reduced because of the negligent operation of the field and improper charges to the carried interest account by the Defendants. The charges, the Plaintiffs claim, were inappropriately charged to the field's carried interest account. The effect of an increased carried interest account is to extend the period before payout begins to the carried interest account owners.

On September 14, 2001, the trial court rendered its decision. The court ruled that:

(a) Although the defendants had an affirmative contractual obligation (but not a fiduciary obligation) to market the gas from the Kotaneelee gas field when it was possible to do so, the defendants had not breached their contractual obligation.

(b) The defendants made improper charges to the carried interest account in the amount of approximately U.S.$3.4 million (MPC share - $91,000) in connection with the repair and rebuilding of the field's dehydration facilities.

(c) Defendant Amoco Canada was not entitled to make gas processing fee charges to the carried interest account. The Company estimates that MPC's share of charges made to date is approximately U.S.$1.5 million including interest.

The court made no ruling on the issue of taxable costs of the litigation, saying only that "Costs may be spoken to if and when necessary". The defendants appealed the trial court's decision in December 2001. Therefore, the final outcome remains uncertain.

On January 19, 2001, MPC's carried interest account in the Kotaneelee gas field reached undisputed payout status. During the 4th quarter of the fiscal year 2001, the Company began accruing its share of Kotaneelee net proceeds as income.

Prior to the Kotaneelee field reaching undisputed payout status, the operator of the Kotaneelee field had been reporting and depositing in escrow its share of the disputed amount of MPC's share of net revenues. Based on the reported data, the Company believes the total amount due MPC at June 30, 2002 (including interest) was at least $1.5 million. The disputed amount, which has not been included in income, represents gas processing fees claimed by the working interest partners. The trial court ruled in favor of the Company on this issue. However, in December 2001, the defendants filed a notice of appeal of the trial court's decision. Due to the uncertainty of the litigation, the Company will not accrue the $1.5 million estimated amount due until the uncertainty is resolved.

The trial was lengthy, complicated and costly to all parties. The court has very broad discretion as to whether to award costs and disbursements and as to the calculation of the amount to be awarded. Accordingly, MPC is unable to determine whether costs will be assessed against MPC or in what amount. However, since the costs incurred by the defendants have been substantial, and since the court has broad discretion in the awarding of costs, an award to the defendants potentially could be material. Costs may be assessed jointly and severally against nonprevailing parties. MPC has not agreed to share any costs that might be assessed against Canada Southern and would seek to be indemnified by Canada Southern for any such costs.

MPC believes that the outcome of the Kotaneelee litigation is not reasonably likely to have a material adverse effect on MPC's future consolidated financial condition or results of operations.

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

None.

Executive Officers of the Registrant

The following information with respect to the executive officers of the Company is furnished pursuant to Instruction 3 to Item 401(b) of Regulation S-K.

<TABLE>
<CAPTION>

Name	Age	Office Held	Length of Service as an Officer	Other Positions Held with Company
<S>	<C>	<C>	<C>	<C>
James R. Joyce	61	President and Chief Financial Officer	Since 1993 Since 1990	Director
T. Gwynn Davies	56	General Manager - MPAL	Since October 30, 2001	None

</TABLE>

All officers of MPC are elected annually by the Board of Directors and serve at the pleasure of the Board of Directors.

MPC is not aware of any arrangements or understandings between any of the individuals named above and any other person pursuant to which any individual named above was selected as an officer.

PART II

Item 5. Market for the Company's Common Stock and Related Stockholder Matters.

(a) Principal Market

The principal market * for MPC's common stock is the NASDAQ SmallCap market symbol [MPET]. The stock is also traded on the Boston Stock Exchange with the symbol [MPC]. The quarterly high and low prices and the number of shares traded on the most active market, NASDAQ, during the calendar quarterly periods indicated were as follows:

<TABLE>
<CAPTION>

2002	1st Qtr.	2nd Qtr.	3rd Qtr.**	4th Qtr.
<S>	<C>	<C>	<C>	<C>
High..................	.95	1.11	1.07	
Low...................	.64	.80	.63	
Number of shares traded	1,624,249	2,130,154	1,679,588	

2001	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
High..................	1.19	1.65	1.12	1.10
Low...................	.81	.76	.79	.79
Number of shares traded	2,081,855	2,745,248	1,250,958	2,039,599

2000	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
High..................	1.97	1.50	1.38	1.28
Low...................	1.16	1.11	.97	.72
Number of shares traded	5,558,966	3,394,720	3,274,059	5,142,813

- --------------------------------
</TABLE>

* On September 20, 2002, the PCXE Equities, Inc. (PCXE) notified the Company that the Company's common stock had been delisted from trading on the Pacific Stock Exchange effective September 20, 2002. The PCXE based its decision upon the Company's failure to meet the minimum share price bid ($1.00) component of

the PCXE's listing maintenance requirements [PCXE Rule 5.5(h)(4)].

** Through September 23, 2002, on which date the closing price was $.80 .

(b) Approximate Number of Holders of Common Stock at September 23, 2002

Title of Class	Number of Record Holders
Common stock, par value $.01 per share	8,200

(c) Frequency and Amount of Dividends

MPC has never paid a cash dividend on its common stock.

Recent Sales of Unregistered Securities

None.

Item 6. Selected Consolidated Financial Information.

The following table sets forth selected data (in thousands) and other operating information of the Company. The selected consolidated financial data in the table are derived from the consolidated financial statements of the Company. This data should be read in conjunction with the consolidated financial statements, related notes and other financial information included herein.

<TABLE>
<CAPTION>

	Years ended June 30,				
	2002	2001	2000	1999	1998
Financial Data	$	$	$	$	$
<S>	<C>	<C>	<C>	<C>	<C>
Operating revenues	13,700	14,008	16,330	13,398	15,235
Total revenues	14,352	14,900	17,147	14,115	15,340
Net income	92	1,072	1,490	945	1,037
Net income per share (basic and diluted)	-	.04	.06	.04	.04
Working capital	17,862	15,398	15,046	12,772	13,452
Cash provided by operating activities	4,013	3,044	6,149	4,993	6,737
Property and equipment (net)	17,046	16,482	21,741	26,725	23,019
Total assets	40,166	37,498	43,976	44,234	39,779
Long-term liabilities	3,974	3,982	5,190	6,910	6,512
Minority interests	13,933	12,701	14,696	15,318	13,123
Stockholders' equity:					
Capital	43,332	43,426	43,838	43,838	43,782
Accumulated deficit	(15,751)	(15,843)	(16,914)	(18,405)	(19,350)

Accumulated other comprehensive loss	(8,965)	(10,410)	(7,827)	(5,699)	(7,013)
Total stockholders' equity	18,616	17,173	19,097	19,734	17,419
Exchange rate A.$=U.S. at end of period	.56	.51	.60	.67	.62
Common stock outstanding shares	24,607	24,698	25,108	25,108	24,982
Book value per share	.76	.70	.76	.79	.70
Quoted market value per share	.88	1.07	1.28	2.50	2.28
Operating Data					
Standard measure of discounted future cash flow relating to proved oil and gas reserves.(approximately 48% attributable to minority interests)	26,000	33,000	44,000	53,000	48,000
Annual production (Net of royalties)					
Gas (bcf)	6.0	5.7	6.0	5.9	5.8
Oil (bbls)(In thousands)(net of royalties)	141	148	172	205	248

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward Looking Statements

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.

Recently Issued Statements Of Financial Accounting Standards

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, which is effective for the Company's fiscal year 2003. SFAS 143 requires legal obligations associated with the retirement of long-lived assets to be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost should be capitalized as part of the related long-lived asset (oil & gas properties) and amortized on a units-of-production basis over the life of the related reserves. Due to the extensive number of documents that must be reviewed and estimates that must be made to assess the effects of the statement, the expected impact of adoption of SFAS 143 on the Company's financial position or results of operations has not yet been determined.

In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 is required to be adopted prospectively for the Company's 2003 fiscal year. SFAS 144 supercedes previous guidance related to the impairment or disposal of long-lived assets. For long-lived assets to be held and used, it resolves certain implementation issues of the former standards, but retains the basic requirements of recognition and measurement of impairment losses. For long-lived assets to be disposed of by sale, it broadens the definition of those disposals that should be reported separately as discontinued operations. There will be no impact on the Company in adopting SFAS 144.

Critical Accounting Policies

Oil and Gas Properties

The Company follows the successful efforts method of accounting for its oil and gas operations. Under this method, the costs of successful wells, development dry holes and productive leases are capitalized and amortized on a units-of-production basis over the life of the related reserves. Cost centers for amortization purposes are determined on a field-by-field basis. The Company records its proportionate share in joint venture operations in the respective classifications of assets, liabilities and expenses. Estimated future abandonment and site restoration costs, net of anticipated salvage values, are accrued based on units of production. Unproved properties with significant acquisition costs are periodically assessed for impairment in value, with any impairment charged to expense. The successful efforts method also imposes limitations on the carrying or book value of proved oil and gas properties. Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company estimates the future undiscounted cash flows from the affected properties to determine the recoverability of carrying amounts. In general, analyses are based on proved reserves, except in circumstances where it is probable that additional resources will be developed and contribute to cash

Exploratory drilling costs are initially capitalized pending determination of proved reserves but are charged to expense if no proved reserves are found. Other exploration costs, including geological and geophysical expenses, leasehold expiration costs and delay rentals, are expensed as incurred.

Site Restoration Costs

Future site restoration costs are accrued over the period required to produce all the proved reserves of petroleum in the various areas of interest for the estimated future restoration obligations in respect of such areas. The estimated restoration obligations recognized include removal of facilities, abandoning of wells and restoring the disturbed areas and are based upon current undiscounted costs, current legal requirements and current technology. Estimates of future restoration obligations are reviewed and reassessed regularly and if revisions to estimates arise, they are made on a prospective basis. In fiscal year 2003, the Company will adopt SFAS 143 as discussed above.

Revenue Recognition

The Company recognizes oil and gas revenue from its interests in producing wells as oil and gas is produced and sold from those wells. Oil and gas sold is not significantly different from the Company's share of production. Revenues from the purchase, sale and transportation of natural gas are recognized upon completion of the sale and when transported volumes are delivered. Shipping and handling costs in connection with such deliveries are included in production costs. Revenue under carried interest agreements is recorded in the period when the net proceeds become receivable, measurable and collection is reasonably assured. The time the net revenues become receivable and collection is reasonably assured depends on the terms and conditions of the relevant agreements and the practices followed by the operator. As a result, net revenues may lag the production month by one or more months.

(1) Liquidity and Capital Resources

During the quarter ended June 30, 2001, MPC began accruing its share (2.67%) of Kotaneelee net proceeds as income. MPC began receiving regular payments of its share of Kotaneelee gas revenues during December 2001. During fiscal 2002, MPC recorded $483,000 of Kotaneelee gas sales compared to $392,000 of gas sales in fiscal 2001.

Prior to the Kotaneelee field reaching undisputed payout status, the operator of the Kotaneelee field had been reporting and depositing in escrow its share of the disputed amount of MPC's share of net revenues. Based on the reported data, the Company believes the total amount due MPC at June 30, 2002 (including interest) was at least $1.5 million. The disputed amount, which has not been included in income, represents gas processing fees claimed by the working interest partners. The trial court ruled in favor of the Company on this issue. However, in December 2001, the defendants filed a notice of appeal of the trial court's decision. The court also made no ruling on the issue of taxable costs of the litigation (See Item 3. Legal Proceedings). Due to the uncertainty of the litigation, the Company will not accrue the $1.5 million estimated amount due until the uncertainty is resolved.

Consolidated

At June 30, 2002, the Company on a consolidated basis had approximately $17.5 million of cash and cash equivalents and marketable securities.

A summary of the major changes in cash and cash equivalents during the period is as follows:

Cash and cash equivalents at beginning of period	$12,792,000
Cash provided by operations	4,013,000
Dividends to MPAL minority shareholders	(586,000)
Net additions to property and equipment	(1,752,000)
Effect of exchange rate changes	1,298,000
Marketable securities which matured	114,000
Repurchases of common stock	(94,000)

Cash and cash equivalents at end of period	$15,785,000
	===========

As to MPC (unconsolidated)

At June 30, 2002, MPC, on an unconsolidated basis, had working capital of approximately $2.4 million. MPC's current cash position, its annual MPAL dividend and the anticipated revenue from the Kotaneelee field should be adequate to meet its current cash requirements. MPC has in the past invested and may in the future invest substantial portions of its cash to maintain its majority interest in its subsidiary, MPAL. During fiscal 2002, MPC purchased approximately 337,000 shares of MPAL's stock at a cost of approximately $337,000.

During fiscal 2002, MPC received a dividend from MPAL of $621,000 which was added to MPC's working capital.

During the fiscal year 2001, MPC announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. At June 30, 2002, MPC had purchased 500,850 of its shares at a cost of approximately $506,000.

As to MPAL

At June 30, 2002, MPAL had working capital of approximately $15.5 million. MPAL has budgeted approximately $3.5 million for specific exploration projects in the fiscal year 2003 as compared to the $4.1 million expended during fiscal 2002. However, the total amount to be expended may vary depending on when various projects reach the drilling phase. The current composition of MPAL's oil and gas reserves are such that MPAL's future revenues in the long term are expected to be derived from the sale of gas in Australia. MPAL's current contracts for the sale of Palm Valley and Mereenie gas will expire during fiscal year 2009. Unless MPAL is able to obtain additional contracts for its remaining gas reserves or be successful in its current exploration program, its revenues will be materially reduced after 2009.

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2007. The contingent amounts will be dependent on such factors as the results of the current program to evaluate the exploration permits, drilling results and MPAL's financial position.

Fiscal Year	Required Expenditures	Contingent Expenditures	Total
2003	$ 2,323,000	$ 84,000	$ 2,407,000
2004	879,000	7,945,000	8,824,000

2005	963,000	14,113,000	15,076,000
2006	616,000	2,454,000	3,070,000
2007	-	1,421,000	1,421,000
	----------	-----------	-----------
Total	$4,781,000	$26,017,000	$30,798,000
	==========	===========	===========

MPAL expects to fund its exploration costs through its cash and cash equivalents and cash flow from Australian operations. MPAL also expects that it will seek partners to share the above exploration costs. If MPAL's efforts to find partners are unsuccessful, it may be unable or unwilling to complete the exploration program for some of its properties. In addition to the above commitments, MPAL has commitments of approximately $924,000 with respect to the Palm Valley and Mereenie fields which have not been included in the consolidated financial statements.

(2) Results of Operations

2002 vs. 2001

The components of consolidated net income for the fiscal years 2002 and 2001 were as follows:

<TABLE>
<CAPTION>

	Year ended June 30,	
	2002	2001
	----	----
<S>	<C>	<C>
MPC unconsolidated pretax loss	$ (236,629)	$ (220,599)
MPC income tax expense	(112,000)	(108,888)
Share of MPAL pretax income	402,411	1,897,096
Share of MPAL benefit of (provision for) income taxes	37,939	(495,845)
	---------	-----------
Consolidated net income	$ 91,721	$ 1,071,764
	=========	===========
Net income per share (basic and diluted)	$ -	$.04
	====	====

</TABLE>

Revenues

Oil sales decreased 30% in 2002. Oil sales in Australia in 2002 amounted to $3,259,000 as compared to $4,639,000 in 2001 because of a 24% decrease in oil prices, a 5% decrease in the number of units produced and the 3% Australian foreign exchange decrease discussed below. 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>

	Fiscal 2002 Sales		Fiscal 2001 Sales	
	Bbls	Average Price per bbl	Bbls	Average Price per bbl
	----	-------	----	-------
<S>	<C>	<C>	<C>	<C>
Australia - Mereenie	161,650	A.$41.70	170,037	A.$54.64

</TABLE>

Gas sales increased 2% in fiscal 2002. Gas sales increased from $8,537,000 in 2001 to $8,667,000 in 2002 primarily because of the 2% increase in the volume of gas sold in Australia which was offset by the 3% Australian foreign exchange decrease discussed below. Effective December 1, 2001, MPAL acquired the 1.248% interest in the Palm Valley field held by Kufpec Australian Ltd. Gas sales in 2002 include $483,000 ($392,000 in 2001) of gas sales from the Kotaneelee gas field in Canada. The volumes in billion cubic feet (bcf) (before deducting royalties) and the average price of gas per thousand cubic feet (mcf) sold in Australia during the periods indicated were as follows:

<TABLE>
<CAPTION>

	Fiscal 2002 Sales		Fiscal 2001 Sales	
	Bcf	Average Price per mcf	Bcf	Average Price per mcf
Australia:		(A.$)		(A.$)
Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	0.959	3.15	0.970	3.12
Darwin contract	2.285	2.08	2.251	2.07
Mereenie				
Darwin contract	3.233	2.55	3.025	2.56
Other	0.368	3.56	0.461	3.29
Total	6.845		6.707	

</TABLE>

Other production income increased 113% to $1,774,000 in 2002 from $833,000 in 2001. Other production income includes royalties and MPAL's share of gas pipeline tariffs. During fiscal 2002, MPAL recorded an additional amount of gas pipeline tariff revenue of approximately $855,000 included in other production related revenues to reflect a resolution of a dispute regarding the calculation of the pipeline tariffs.

Interest income in 2002 decreased 27%. Interest income in 2002 amounted to $652,000 as compared to $891,000 in 2001. Although more funds were available for investment, interest rates were substantially lower in 2002.

Costs and Expenses

Production costs increased 8% in 2002 to $3,770,000 from $3,492,000 in 2001 primarily because remedial work was performed in 2002 in the Mereenie field.

Exploratory and dry hole costs increased 155% to $4,143,000 in 2002 from $1,624,000 in 2001. The 2002 and 2001 costs relate primarily to the exploration work being performed on MPAL's offshore Western Australian properties. In addition, the costs in 2002 include the dry hole costs (a total of $2.7 million incurred primarily in the second quarter of fiscal 2002) of the Carbine-1 and the Maribou-1 wells which were drilled in the Browse Basin offshore Western Australia. The costs (in thousands) for MPC and MPAL were as follows:

<TABLE>
<CAPTION>

	2002			2001		
Location	MPAL	MPC	Total	MPAL	MPC	Total
<S>	<C>		<C>	<C>		<C>
United States/Belize	$ 62	-	$ 62	$ 2	-	$ 2
Australia/New Zealand	4,081	-	4,081	1,622	-	1,622
	$4,143	-	$4,143	$1,624	-	$ 1,624

</TABLE>

Salaries and employee benefits decreased 26% to $1,248,000 in 2002 from $1,694,000 in 2001 primarily because of a reduction in MPAL personnel.

Depreciation, depletion and amortization decreased 1% in 2002 to $3,447,000 from $3,474,000 in 2001. The decrease in depreciation, depletion and amortization is primarily the result of the 3% Australian foreign exchange decrease discussed below.

Auditing, accounting and legal expenses increased 10% from $252,000 in 2001 to $278,000 in 2002 primarily because of an increase in MPAL's legal costs to resolve various disputes.

Shareholder communications costs decreased 12% to $152,000 in 2002 compared to $172,000 in 2001 primarily because of the Company's efforts to reduce costs.

Other administrative expenses increased 8% from $717,000 in 2001 to $776,000 in 2002 primarily because of a reduction in the amount of overhead that MPAL, as operator, charged its partners during 2002.

Income Taxes

Income tax expense decreased from $1,075,000 in 2001 to $39,000 in 2002. The effective income tax rate for 2002 was 7% compared to 31% in 2001. The components of income tax expense (benefit) in thousands were as follows:

	2002	2001
Pretax consolidated income	$ 537	$ 3,476
MPC's losses not recognized	237	221
Permanent differences	(873)	(471)
Book taxable income (loss)	$(99)	$ 3,226
Australian tax rate	30%	34%
Australian income tax provision (benefit)	$ (30)	$ 1,097
Tax (benefit) attributable to reconciliation of year end deferred tax liability	(43)	(131)
MPAL Australian (benefit) provision for income tax	(73)	966
MPC income tax provision	112	109
Consolidated income tax provision	$ 39	$ 1,075

MPC's 2002 and 2001 income tax represents the 25% Canadian withholding tax on its Kotaneelee net proceeds. In addition, Australia enacted corporate tax rate reductions for 2002 (34% to 30%) which reduced the provision by $131,000 in 2001. The utilization of prior year losses not previously taken into account also reduced the 2002 and 2001 provisions.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.5635 at June 30, 2002 compared to $.5104 at June 30, 2001. This resulted in a $1,729,000 credit to accumulated translation adjustments for fiscal 2002. The 10% increase in the value of the Australian dollar increased the reported asset and liability amounts in the balance sheet at June 30, 2002 from the June 30, 2001 amounts. The annual average exchange rate used to translate MPAL's operations in Australia for fiscal 2002 was $.5238, which is a 3% decrease compared to the $.5379 rate for fiscal 2001.

2001 vs. 2000

The components of consolidated net income for the fiscal years 2001 and 2000 were as follows:

	Year ended June 30,	
	2001	2000
MPC unconsolidated pretax loss	$ (220,599)	$ (709,939)
MPC income tax expense	(108,888)	(113,989)
Share of MPAL pretax income	1,897,096	2,347,857
Share of MPAL income taxes	(495,845)	(33,525)

Consolidated net income	$ 1,071,764	$ 1,490,404
	===========	===========
Net income per share (basic and diluted)	$.04	$.06
	====	====

Revenues

Oil sales in 2001 remained essentially the same as 2000. Oil sales in Australia in 2001 amounted to $4,639,000 as compared to $4,637,000 in 2000 because of a 40% increase in oil prices which was partially offset by a 14% decrease in the number of units produced and the 14% Australian foreign exchange decrease discussed below. 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>

	Fiscal 2001 Sales		Fiscal 2000 Sales	
	Bbls	Average Price per bbl	Bbls	Average Price per bbl
<S>	<C>	<C>	<C>	<C>
Australia - Mereenie	170,037	A.$54.64	198,272	A.$39.14

</TABLE>

Gas sales decreased 19% in fiscal 2001. Gas sales decreased from $10,510,000 in 2000 to $8,537,000 in 2001 primarily because of the 10% decrease in the volume of gas sold and the 14% Australian foreign exchange decrease discussed below which was partially offset by a 1% increase in the average price of gas sold. The decrease in the volume of gas sold is primarily the result of a customer discontinuing its operations. Gas sales in 2001 include $392,000 of gas sales from the Kotaneelee field for the production period January 19, 2001 through April 30, 2001. The volumes in billion cubic feet (bcf) (before deducting royalties) and the average price of gas per thousand cubic feet (mcf) sold in Australia during the periods indicated were as follows:

<TABLE>
<CAPTION>

	Fiscal 2001 Sales		Fiscal 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	0.970	3.12	0.922	2.97
Darwin contract	2.251	2.07	2.216	2.02
Mereenie				
Darwin contract	3.025	2.56	2.497	2.33
Other	0.461	3.29	1.817	3.13
	-----		-----	
Total	6.707		7.452	
	=====		=====	

</TABLE>

Other production income decreased 30% to $833,000 in 2001 from $1,184,000 in 2000. Other production income includes royalties and MPAL's share of gas pipeline tariffs. In addition, MPAL, as a Palm Valley producer, had been receiving an additional share of revenues from the Mereenie field which ended in August 2000.

Interest income in 2001 increased 9%. Interest income in 2001 amounted to $891,000 as compared to $817,000 in 2000. Although more funds were available for investment and interest rates were higher, the increase was partially offset by the 14% decrease in the Australian foreign exchange rate discussed below.

Costs and Expenses

Production costs decreased 22% in 2001 to $3,492,000 from $4,492,000 in 2000 primarily because of the 14% decrease in the Australian foreign exchange rate discussed below. The decrease in costs also relates primarily to the Mereenie field where substantial remedial work was performed in 2000.

Exploratory and dry hole costs totaled $1,624,000 during 2001 compared to $2,089,000 in 2000. The 2001 costs relate primarily to the work being performed on MPAL's offshore Australian properties. The cost ($336,000 incurred primarily in the second quarter of fiscal 2001) of the Ealing-1 exploration well in New Zealand, which was a dry hole, is also included in 2001. The 2000 costs also relate primarily to the work being performed on MPAL's offshore Western Australian properties. The costs (in thousands) for MPC and MPAL were as follows:

<TABLE>
<CAPTION>

	2001			2000		
Location	MPAL	MPC	Total	MPAL	MPC	Total
<S>	<C>		<C>	<C>	<C>	<C>
United States/Belize	$ 2	-	$ 2	$ 32	$ 124	$ 156
Australia/New Zealand	1,622	-	1,622	1,933	-	1,933
	$1,624	-	$1,624	$1,965	$ 124	$2,089

</TABLE>

Salaries and employee benefits decreased 5% to $1,694,000 in 2001 from $1,780,000 in 2000 primarily because of the 14% Australian foreign exchange decrease discussed below.

Depreciation, depletion and amortization decreased 5% in 2001 to $3,474,000 from $3,670,000 in 2000. The decrease in depreciation, depletion and amortization is primarily the result of the 14% Australian foreign exchange decrease discussed below. The decrease was partially offset by a 25% net decrease in reserves used to calculate the 2001 depletion rate. As of June 30, 2001, the remaining estimated proved reserves at Palm Valley were reduced by approximately 46% to reflect the inability of the field to deliver the amount of gas that has been contracted.

Auditing, accounting and legal expenses decreased 22% from $323,000 in 2000 to $252,000 in 2001 primarily because of the 14% Australian foreign exchange rate decrease discussed below.

Shareholder communications costs decreased 10% to $172,000 in 2001 compared to $191,000 in 2000 primarily because of the 14% Australian foreign exchange rate decrease discussed below.

Other administrative expenses decreased 1% from $721,000 in 2000 to $717,000 in 2001 primarily because of the 14% Australian foreign exchange rate decrease discussed below. The decrease was offset by a reduction in the amount of overhead that MPAL, as operator, charged its partners during 2001.

Income Taxes

Income tax expense increased from $180,000 in 2000 to $1,075,000 in 2001. The effective income tax rate for 2001 was 31% compared to 5% in 2000. The components of income tax expense (benefit) in thousands were as follows:

	2001	2000
Pretax consolidated income	$ 3,476	$ 3,879
MPC's losses not recognized	221	710
Permanent differences	(471)	(1,534)
Book taxable income	$ 3,226	$ 3,055

	2001	2000
	========	========
Australian tax rate	34%	36%
	===	===
Australian income tax provision	$ 1,097	$ 1,100
Tax (benefit) attributable to reconciliation of year end deferred tax liability	(131)	(1,034)
	--------	---------
MPAL Australian income tax provision	966	66
MPC income tax provision	109	114
	-------	-------
Consolidated income tax provision	$ 1,075	$ 180
	=======	========

MPC's 2001 income tax represents the 25% Canadian withholding tax on its Kotaneelee net proceeds. MPC's 2000 income tax represents the 15% Australian withholding tax on the dividend it received from MPAL. The 2000 income tax provision also reflects the effect of permanent tax benefits ($552,000). In addition, Australia enacted corporate tax rate reductions for 2001 (36% to 34%) and for 2002 (34% to 30%) which reduced the provision by $131,000 in 2001 and $656,000 in 2000. The utilization of prior year losses ($378,000) not previously taken into account also reduced the provision.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to $.5104 at June 30, 2001 compared to $.5968 at June 30, 2000. This resulted in a $2,817,000 charge to accumulated translation adjustments for fiscal 2001. The 14% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance sheet at June 30, 2001 from the June 30, 2000 amounts. The annual average exchange rate used to translate MPAL's operations in Australia for fiscal 2001 was $.5379, which is a 14% decrease compared to the $.6289 rate for the comparable 2000 period.

Item 7A. 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 June 30, 2002, the carrying value of such investments including those classified as cash and cash equivalents was approximately $17.2 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.

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Magellan Petroleum Corporation

We have audited the accompanying consolidated balance sheets of Magellan Petroleum Corporation as of June 30, 2002 and 2001 and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended June 30, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Magellan Petroleum Corporation at June 30, 2002 and 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 2002, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Stamford, Connecticut
September 18, 2002

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	June 30, 2002	June 30, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$15,784,851	$12,792,191
Accounts receivable	4,162,821	4,580,809
Marketable securities	899,619	846,063
Inventories	377,847	537,138
Other assets	280,537	283,372
Total current assets	21,505,675	19,039,573
Marketable securities	794,070	961,514
Property and equipment:		
Oil and gas properties (successful efforts method)	44,155,824	37,723,278
Land, buildings and equipment	1,669,330	1,590,322
Field equipment	1,189,093	1,054,060
	47,014,247	40,367,660
Less accumulated depletion, depreciation and amortization	(29,967,865)	(23,885,240)
Net property and equipment	17,046,382	16,482,420
Other assets	820,189	1,014,578
Total assets	$40,166,316	$37,498,085
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,323,781	$ 1,907,672
Accrued liabilities	1,086,193	741,972
Income taxes payable	233,339	991,571

Total current liabilities	3,643,313	3,641,215
Long term liabilities:		
Deferred income taxes	2,731,221	3,029,180
Reserve for future site restoration costs	1,242,398	953,210
Total long term liabilities	3,973,619	3,982,390
Minority interests	13,932,928	12,701,000
Commitments (Note 2)	-	-
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 shares		
Outstanding 24,607,376 and 24,698,220 shares	246,074	246,982
Capital in excess of par value	43,085,841	43,179,475
Total capital	43,331,915	43,426,457
Accumulated deficit	(15,750,935)	(15,842,656)
Accumulated other comprehensive loss	(8,964,524)	(10,410,321)
Total Stockholders' equity	18,616,456	17,173,480
Total liabilities, minority interests and stockholders' equity	$40,166,316	$37,498,085

See accompanying notes.
</TABLE>

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

<S>	Years ended June 30, 2002 <C>	2001 <C>	2000 <C>
Revenues:			
Oil sales	$ 3,259,213	$ 4,638,782	$ 4,636,595
Gas sales	8,667,431	8,537,064	10,509,600
Other production related revenues	1,773,808	832,516	1,183,570
Interest income	651,653	891,489	817,066
	14,352,105	14,899,851	17,146,831
Costs and expenses:			
Production costs	3,770,438	3,492,045	4,492,443
Exploratory and dry hole costs	4,143,449	1,623,914	2,088,871
Salaries and employee benefits	1,248,136	1,693,998	1,780,076
Depletion, depreciation and amortization	3,447,444	3,473,758	3,670,417
Auditing, accounting and legal services	278,045	251,567	323,353
Shareholder communications	151,897	171,710	191,057
Other administrative expenses	776,077	716,777	721,255
	13,815,486	11,423,769	13,267,472
Income before income taxes and minority interests	536,619	3,476,082	3,879,359
Income tax provision	39,099	1,075,091	179,520
Income before minority interests	497,520	2,400,991	3,699,839
Minority interests	405,799	1,329,227	2,209,435

Net income	$ 91,721	$ 1,071,764	$ 1,490,404
	==========	===========	===========
Average number of shares:			
Basic	24,622,980	24,979,572	25,108,226
	==========	==========	==========
Diluted	24,622,980	24,979,572	25,227,519
	==========	==========	==========
Per share, based on average number of shares outstanding during the period:			
Net income (basic and diluted)	$ -	$.04	$.06
	====	====	====

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF
CHANGES IN STOCKHOLDERS' EQUITY
Three years ended June 30, 2002

<TABLE>
<CAPTION>

	Number of shares	Common stock	Capital in excess of par value	Accumulated deficit	Accumulated other Comprehensive Loss	Total	Total comprehensive income (loss)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
July 1, 1999	25,108,226	$251,082	$43,586,606	$(18,404,824)	$(5,699,068)	$19,733,796	
Net income	-	-	-	1,490,404	-	1,490,404	$1,490,404
Foreign currency translation adjustments	-	-	-	-	(2,127,634)	(2,127,634)	(2,127,634)

Total comprehensive loss	-	-	-	-	-	-	$ (637,230)
	----------	-------	----------	-----------	----------	----------	===========
June 30, 2000	25,108,226	251,082	43,586,606	(16,914,420)	(7,826,702)	19,096,566	
Net income	-	-	-	1,071,764	-	1,071,764	$1,071,764
Foreign currency translation adjustments	-	-	-	-	(2,816,765)	(2,816,765)	(2,816,765)
Unrealized gain on available-for-sale securities	-	-	-	-	233,146	233,146	233,146

Total comprehensive loss	-	-	-	-	-	-	$(1,511,855)
							============
Repurchases of common stock	(410,000)	(4,100)	(407,131)	-	-	(411,231)	
	------------	----------	----------	------------	-----------	-----------	
June 30, 2001	24,698,226	246,982	43,179,475	(15,842,656)	(10,410,321)	17,173,480	
Net income	-	-	-	91,721	-	91,721	$91,721
Foreign currency translation adjustments	-	-	-	-	1,729,157	1,729,157	1,729,157
Unrealized loss on available-for-sale securities	-	-	-	-	(283,360)	(283,360)	(283,360)

Total comprehensive income	-	-	-	-	-	-	$1,537,518

						==========
Repurchases of common stock	(90,850)	(908)	(93,634)	-	-	(94,542)
June 30, 2002	24,607,376	$ 246,074	$ 43,085,841	$(15,750,935)	$(8,964,524)	$18,616,456

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Years ended June 30,		
	2002	2001	2000
Operating Activities:			
<S>	<C>	<C>	<C>
Net income	$ 91,721	$ 1,071,764	$ 1,490,404
Adjustments to reconcile net income to net cash provided by operating activities:			
Exploratory and dry hole costs	-	-	70,634
Depletion, depreciation and amortization	3,447,444	3,473,758	3,670,417
Deferred income taxes	(608,454)	(609,897)	(1,805,306)
Minority interests	405,799	1,329,227	2,209,435
Increase (decrease) in operating assets and liabilities:			
Accounts receivable	(244,207)	(1,153,637)	(1,888,247)
Other assets	(204,813)	(182,457)	87,695
Inventories	85,178	(307,681)	(33,385)
Accounts payable and accrued liabilities	1,249,511	(660,252)	1,250,716
Income taxes payable	(675,909)	(72,437)	1,096,845
Reserve for future site restoration costs	467,030	156,069	-
Net cash provided by operating activities	4,013,300	3,044,457	6,149,208
Investing Activities:			
Additions to property and equipment	(1,751,643)	(2,345,577)	(2,512,483)
Marketable securities matured	2,540,151	3,109,544	2,015,875
Marketable securities purchased	(2,426,263)	(1,858,942)	(2,971,626)
Net cash used in investing activities	(1,637,755)	(1,094,975)	(3,468,234)
Financing Activities:			
Dividends to MPAL minority shareholders	(586,379)	(593,034)	(730,709)
Repurchases of common stock	(94,542)	(411,231)	-
Net cash used in financing activities	(680,921)	(1,004,265)	(730,709)
Effect of exchange rate changes on cash and cash equivalents	1,298,036	(2,043,860)	(1,440,130)
Net increase (decrease) in cash and cash equivalents	2,992,660	(1,098,643)	510,135
Cash and cash equivalents at beginning of year	12,792,191	13,890,834	13,380,699
Cash and cash equivalents at end of year	$15,784,851	$12,792,191	$13,890,834
	===========	===========	===========

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2002

1. Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Magellan Petroleum Corporation (MPC) and its majority owned subsidiary, Magellan Petroleum Australia Limited (MPAL), or collectively as the Company. At June 30, 2002 and 2001, MPC owned a 52% and 51.3% interest in MPAL, respectively. During fiscal 2002, MPC increased its interest in MPAL by purchasing an additional 337,000 MPAL shares for approximately $337,000. All intercompany transactions have been eliminated.

Revenue Recognition

The Company recognizes oil and gas revenue from its interests in producing wells as oil and gas is produced and sold from those wells. Oil and gas sold is not significantly different from the Company's share of production. Revenues from the purchase, sale and transportation of natural gas are recognized upon completion of the sale and when transported volumes are delivered. Shipping and handling costs in connection with such deliveries are included in production costs. Revenue under carried interest agreements is recorded in the period when the net proceeds become receivable, measurable and collection is reasonably assured. The time the net revenues become receivable and collection is reasonably assured depends on the terms and conditions of the relevant agreements and the practices followed by the operator. As a result, net revenues may lag the production month by one or more months.

Oil and Gas Properties

Oil and gas properties are located in Australia, New Zealand, Canada and the United Kingdom. The Company follows the successful efforts method of accounting for its oil and gas operations. Under this method, the costs of successful wells, development dry holes and productive leases are capitalized and amortized on a units-of-production basis over the life of the related reserves. Cost centers for amortization purposes are determined on a field-by-field basis. The Company records its proportionate share in joint venture operations in the respective classifications of assets, liabilities and expenses. Estimated future abandonment and site restoration costs, net of anticipated salvage values, are accrued based on units of production. Unproved properties with significant acquisition costs are periodically assessed for impairment in value, with any impairment charged to expense. The successful efforts method also imposes limitations on the carrying or book value of proved oil and gas properties. Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company estimates the future undiscounted cash flows from the affected properties to determine the recoverability of carrying amounts. In general, analyses are based on proved reserves, except in circumstances where it is probable that additional resources will be developed and contribute to cash flows in the future.

Exploratory drilling costs are initially capitalized pending determination of proved reserves but are charged to expense if no proved reserves are found. Other exploration costs, including geological and geophysical expenses, leasehold expiration costs and delay rentals, are expensed as incurred.

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, which is effective for the Company's fiscal year 2003. SFAS 143 requires legal obligations associated with the retirement of long-lived assets to be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost should be capitalized as part of the related long-lived asset (oil & gas properties) and amortized on a units-of-production basis over the life of the related reserves. Due to the extensive number of documents that must be reviewed and estimates that must be made to assess the effects of the statement, the expected impact of adoption of SFAS 143 on the Company's financial position or results of operations has not yet been determined.

In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 is required to be adopted prospectively for the Company's 2003 fiscal year. SFAS 144 supercedes previous guidance related to the impairment or disposal of long-lived assets. For long-lived assets to be held and used, it resolves certain implementation issues of the former standards, but retains the basic requirements of recognition and measurement of impairment losses. For long-lived assets to be disposed of by sale, it broadens the definition of those disposals that should be reported separately as discontinued operations. There will be no impact on the Company in adopting SFAS 144.

1. Summary of significant accounting policies (Cont'd)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Land, buildings and equipment and field equipment

Land, buildings and equipment and field equipment are carried at cost. Depreciation and amortization are provided on a straight-line basis over their estimated useful lives. The estimated useful lives are: buildings - 40 years, equipment and field equipment - 3 to 15 years.

Inventories

Inventories consist of crude oil in various stages of transit to the point of sale and are valued at the lower of cost (determined on an average cost basis) or market.

Foreign currency translations

The accounts of MPAL, whose functional currency is the Australian dollar, are translated into U.S. dollars in accordance with Statement of Financial Accounting Standards No. 52. The translation adjustment is included as a component of stockholders' equity and comprehensive income (loss), whereas gain or loss on foreign currency transactions is included in the determination of income. All assets and liabilities are translated at the rates in effect at the balance sheet dates. Revenues, expenses, gains and losses are translated using a quarterly weighted average exchange rate for the period. At June 30, 2002 and 2001, the Australian dollar was equivalent to U.S.$.56 and $.51, respectively. The annual average exchange rate used to translate MPAL's operations in Australia for the fiscal years 2002, 2001 and 2000 was $.52, $.54 and $.63, respectively.

Accounting for income taxes

The Company follows FASB Statement 109, the liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Cash and cash equivalents

The Company considers all highly liquid short term investments with maturities of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are carried at cost which approximates market value. The components of cash and cash equivalents are as follows:

June 30,

	2002	2001
Cash	$ 269,523	$ 17,269
U.S. marketable securities	995,936	842,172
Australian money market accounts and short-term commercial paper	14,519,392	11,932,750
	$15,784,851	$12,792,191

1. Summary of significant accounting policies (Cont'd)

Marketable securities

At June 30, 2002 and 2001, MPC had the following marketable securities which are expected to be held until maturity:

<TABLE>
<CAPTION>

June 30, 2002	Par value	Maturity Date	Amortized Cost	Fair value
Short-term securities				
U.S. Treasury Bill	$ 350,000	Oct. 10, 2002	$ 348,428	$ 348,331
State of Connecticut bond	550,000	Jan. 15, 2003	551,191	560,214
Total short-term	$ 900,000		$ 899,619	$ 908,545
Long-term securities				
Lewiston, Maine Pension bond	$ 390,000	Dec. 15, 2005	$ 390,000	$ 397,277
State of Connecticut bond	400,000	Jul.1, 2003	404,070	414,724
Total long-term	$ 790,000		$ 794,070	$ 812,001

June 30, 2001	Par value	Maturity Date	Amortized Cost	Fair value
Short-term securities				
Federal Home Loan Bank Note	$ 350,000	Jul. 9, 2001	$ 343,327	$ 343,697
State of Connecticut bond	500,000	Dec.15, 2001	502,736	507,475
	$ 850,000		$ 846,063	$ 851,172
Long-term securities				
State of Connecticut Bond	$ 550,000	Jan. 15, 2003	$ 553,374	$ 558,707
State of Connecticut Bond	400,000	Jul.1, 2003	408,140	408,784
Total long-term	$ 950,000		$ 961,514	$ 967,491

</TABLE>

Unrealized Gain (loss) on Available-for-Sale Securities

During August 1999, MPC 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 listed on the London Stock Exchange. At June 30, 2002 and 2001, MPC owned approximately 2.8% and 3.3%, respectively of Sefton Resources, Inc. with a fair market value of $43,120 at June 30, 2002 and $326,480 at June 30, 2001 and a cost of $93,334 which is included in other assets. The $50,214 difference between the fair value at June 30, 2002 and the cost has been recorded as unrealized loss on available-for-sale securities.

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 only reconciling item in the calculation of diluted EPS is the dilutive effect of stock options which was computed using the treasury stock method. The Company's basic and diluted calculations of EPS are the same in 2002 and 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 years 2002 and 2001.

Financial instruments

The carrying value for cash and cash equivalents, accounts receivable, marketable securities and accounts payable approximates fair value based on anticipated cash flows and current market conditions.

1. Summary of significant accounting policies (Cont'd)

Segment Disclosure

FASB Statement No. 131 requires the disclosure of certain financial data based on an entity's operating segments. The Company's two operating segments are MPC and MPAL. Condensed financial statements of these segments are included in Notes 3 and 4 and additional segment data are included in Note 11.

Accumulated other comprehensive loss

Accumulated other comprehensive loss at June 30, 2002 and 2001 was as follows:

<TABLE>
<CAPTION>

<S>	2002 <C>	2001 <C>
Foreign currency translation adjustments	$(8,914,310)	$(10,643,467)
Unrealized gain (loss) on available-for-sale securities	(50,214)	233,146
Total	$(8,964,524)	$(10,410,321)

</TABLE>

Reclassifications

Certain amounts in the prior year balance sheet have been reclassified to conform to the presentation in the current period.

2. Oil and gas properties

(a) Australia

Mereenie

MPAL (35%) and Santos (65%), the operator, (together known as the Mereenie Producers) own the Mereenie field which is located in the Amadeus Basin of the Northern Territory. MPAL's share of the Mereenie field proved developed oil reserves was approximately 520,000 barrels and 14.4 billion cubic feet (bcf) of gas at June 30, 2002. During fiscal 2002, MPAL's share of oil sales was 162,000 barrels and 3.6 bcf of gas sold which is subject to net overriding royalties aggregating 3.0625% and the statutory government royalty of 10%. The oil is transported by means of a 167 mile eight-inch oil pipeline from the field to an industrial park near Alice Springs. Most of the oil is then shipped south approximately 950 miles by rail and road to a refinery in the Adelaide area. The cost of transporting the oil to the refinery is being borne by the producers. The Mereenie Producers are providing Mereenie gas in the Northern Territory to the Power and Water Authority (PAWA) and Gasgo Pty. Ltd., a company PAWA wholly owns, for use in Darwin and other Northern Territory centers. See "Gas Supply Contracts" below.

The leases covering the Mereenie field are due to expire in November 2002 and applications have been made to the Northern Territory governmental authorities to renew the leases. Concurrently, negotiations have commenced with the Aboriginal land owners. MPAL expects that the leases will be renewed.

Palm Valley

MPAL has a 52% interest in, and is the operator, of the Palm Valley gas field which is also located in the Amadeus Basin of the Northern Territory. Santos, the operator of the Mereenie field, owns the remaining 48% interest in Palm Valley which provides gas to meet the Alice Springs and Darwin supply contracts with PAWA. See "Gas Supply Contracts" below. MPAL's share of the Palm Valley proved developed reserves was 14.7 bcf at June 30, 2002. Effective December 1, 2001, MPAL acquired the 1.248% interest in the Palm Valley field held by Kufpec Australia Pty, Ltd. for approximately $270,000 and increased its interest from 50.8% to 52%. During fiscal 2002, MPAL's share of gas sales was 3.2 bcf which is subject to a 10% statutory government royalty and net overriding royalties aggregating 5%. As of June 30, 2001, the remaining estimated proved reserves at Palm Valley were reduced by approximately 46% to reflect the inability of the field to deliver the amount of gas that has been contracted. Under the terms of the sales contract, PAWA is obligated to pay for the capital costs of maintaining production levels to meet the annual contract volumes. For more than five years, PAWA has been on notice that additional drilling would be necessary to meet the contract supply requirements. The Palm Valley producers and PAWA have executed a Heads of Agreement to resolve these matters with the likely drilling of a well at Palm Valley in the second quarter of calendar year 2003.

PAGE>

2. Oil and gas properties (Cont'd)

Gas Supply Contracts

At June 30. 2002, MPAL's commitment to supply gas under the above agreements as revised under the Heads of Agreement discussed above was as follows:

Period	Bcf
Less than one year	6.91
Between 1-5 years	25.38
Greater than 5 years	15.02
Total	47.31

At June 30, 2002, the Company had accrued $1,242,000 for future site restoration costs for the Mereenie, Palm Valley and Dingo fields. The balance of the estimated liability was $2,806,000 at June 30, 2002. In fiscal 2003, the Company will adopt SFAS 143 as discussed in Note. 1.

Dingo Gas Field

MPAL has a 34.3% interest in the Dingo gas field which is subject to renewal in 2003. The Dingo gas field, which is located in the Amadeus Basin in the Northern Territory, has approximately 25 bcf of presently proved and recoverable reserves based on four delineation wells. MPAL's share of potential production from these permit areas is subject to a 10% statutory government royalty and overriding royalties aggregating 2.5043%.

Browse Basin

During fiscal year 1999, MPAL (17.5%) and its partners were granted exploration permits WA-281-P, WA-282-P and WA-283-P in the Browse Basin offshore Western Australia. After a three year program of 2D and 3D seismic acquisition to define drilling prospects in the permits, two wells were drilled during fiscal year 2002. Both wells were dry holes at a total cost of $2.7 million to MPAL and the cost is included in exploratory and dry hole costs. MPAL has withdrawn from all of these permits.

During fiscal year 2000, MPAL was granted exploration blocks WA-287-P and WA-288-P in the Eastern Browse Basin. During fiscal 2001, MPAL applied for a permit over area WA-311-P which is adjacent to WA-288-P and the permit was granted on September 3, 2001. At June 30, 2002, MPAL's share (100%) of the work obligations of the three permits totaled $9,887,000 ($112,000 obligatory and $9,775,000 discretionary). MPAL has reached an agreement in principle with INPEX Corporation, a Japanese company, to farm out permits WA-288-P and WA-311-P. INPEX will earn a 65% interest in each permit by paying for the cost of drilling a well, Strumbo-1, in early 2003. MPAL will retain a 35% interest in the permits.

Carnarvon Basin

During fiscal year 1999, MPAL was awarded permit WA-291-P, offshore Western Australia in the Carnarvon Basin. At June 30, 2002, MPAL's share (100%) of the work obligations of the permit totaled $4,074,000 all of which is discretionary. Tap Oil, an Australian company, has agreed to participate in the drilling of a well on the permit and will earn a 15% interest in the permit. MPAL is seeking additional partners to share the cost of drilling a well.

Maryborough Basin

MPAL holds a 98% interest in exploration permit ATP 613P, in the Maryborough Basin in Queensland, Australia. MPAL (100%) also has an application pending for permit ATP 674P which is adjacent to ATP 613P. MPAL is seeking partners to drill a well to test the gas potential of the block in exchange for an interest in the permit. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $1,128,000 ($423,000 obligatory and $705,000 discretionary).

Cooper Basin

During fiscal year 1999, MPAL (50%) and its partner Beach Petroleum NL were successful in bidding for two exploration blocks (PEL 94 and PEL 95) in South Australia's Cooper Basin. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $2,903,000 ($2,086,000 obligatory and $817,000 discretionary). During August 2002, Maslins-1, the first of a three well program, was drilled. The well was a dry hole. The second well, Aldinga-1 was completed in September 2002. The well has been cased and suspended for future completion for oil production. Production testing is scheduled for the fourth quarter of 2002. The third well, Henley-1, which was drilled in early September 2002, was a dry hole. Each well is estimated to cost approximately $550,000 (MPAL share - $275,000).

2. Oil and gas properties (Cont'd)

During fiscal year 2001, MPAL (50%) and its partner Beach Petroleum NL were also successful in bidding for two additional exploration blocks (PELA 110 and PELA 116) in the Cooper Basin. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $1,959,000 ($1,043,000 obligatory and $916,000 discretionary).

Canning Basin

During fiscal year 2001, MPAL acquired a 37.5% working interest in each of exploration permits WA-306-P and WA-307-P in the Barcoo Sub-basin of the offshore Canning Basin adjacent to the Browse Basin. Antrim Energy, a Canadian company, is the operator of the joint venture. At June 30, 2002, MPAL's share of the work obligations of the two permits totaled $254,000 all of which is obligatory.

(b) New Zealand

During fiscal year 2001, MPAL earned a 7.5% interest in permit PEP 38256 in the Canterbury Basin of New Zealand by funding part of the cost of drilling the Ealing-1 exploration well which was plugged and abandoned. The cost of approximately $336,000 was included in exploratory and dry hole costs during fiscal year 2001. There are no work obligations at June 30, 2002.

During fiscal 2002, MPAL (100%) was granted exploration permit PEP 38222 offshore south of the South Island of New Zealand. At June 30, 2002, MPAL's share of the work obligations of the permit totaled $10,131,000 ($142,000 obligatory and $9,989,000 discretionary).

(c) United Kingdom

During fiscal year 2001, MPAL acquired a 30% interest in two licenses in southern England in the Weald-Wessex basin. The two licenses; PEDL 098 in the Isle of Wight and PEDL 099 in the Portsdown area of Hampshire, were each granted for a period of six years. At June 30, 2002, MPAL's share of the work obligations of the permit total $622,000, all of which is obligatory.

During fiscal year 2002, MPAL acquired two additional licenses in southern England. The two licenses; PEDL 113 (30%) in the Isle of Wight and PEDL 112 (33 1/3%) in the Kent area on the margin of the Weald-Wessex basin were each granted for a period of six years. At June 30, 2002, MPAL's share of the work obligations of the permit totaled $611,000, ($99,000 obligatory and $512,000 discretionary).

2. Oil and gas properties (Cont'd)

(d) Canada

MPC has a 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory which has been on production since February 1991 with two producing wells. For financial statement purposes in fiscal 1987 and 1988, MPC wrote down its costs relating to the Kotaneelee field to a nominal value because of the uncertainty as to the date when sales of Kotaneelee gas might begin and the immateriality of the carrying value of the investment. Since October 1989, the field has been the subject of litigation, because the carried interest owners (including MPC) believe the working interest parties had not adequately pursued the attainment of contracts for the sale of Kotaneelee gas. A decision in the litigation was rendered on September 14, 2001. The decision of the trial court was generally favorable to the Company, however, the issue of court costs has not yet been decided. The trial was lengthy, complicated and costly to all parties. The court has very broad discretion as to whether to award costs and disbursements and as to the calculation of the amount to be awarded. Accordingly, MPC is unable to determine whether costs will be assessed against MPC or in what amount. However, since the costs incurred by the defendants have been substantial, and since the court has broad discretion in the awarding of costs, an award to the defendants potentially could be material. Costs may be assessed jointly and severally against nonprevailing parties. MPC believes that the outcome of the Kotaneelee litigation is not reasonably likely to have a material adverse effect on MPC's future consolidated financial condition or results of operations.

On January 19, 2001, MPC's carried interest account in the Kotaneelee gas field reached undisputed payout status. During the 4th quarter of the fiscal year 2001, the Company began accruing its share of Kotaneelee net proceeds as income. MPC began receiving regular payments of its share of Kotaneelee gas revenues during December 2001. During fiscal 2002, MPC recorded $483,000 of Kotaneelee gas sales compared to $392,000 of gas sales in fiscal 2001.

Prior to the Kotaneelee field reaching undisputed payout status, the operator of the Kotaneelee field had been reporting and depositing in escrow its share of the disputed amount of MPC's share of net revenues. Based on the reported data, the Company believes the total amount due MPC at June 30, 2002 (including interest) was at least $1.5 million. The disputed amount, which has not been included in income, represents gas processing fees claimed by the working interest partners. The trial court ruled in favor of the Company on this issue. However, in December 2001, the defendants filed a notice of appeal of the trial court's decision. Due to the uncertainty of the litigation, the Company will not accrue the $1.5 million estimated amount due until the uncertainty is resolved.

(e) United States

Baca County, Colorado

During fiscal 2002, MPAL held leases in Baca County, Colorado, in which an exploration company drilled two wells during late 2001. MPAL elected to participate (25%) in the completion of the wells for production, both of which were dry holes. MPAL has now withdrawn from the area. The cost of approximately $62,000 is included in exploratory and dry hole costs.

2. Oil and gas properties (Cont'd)

Stephens County, Texas

During fiscal 1999, MPC participated (20%) in the drilling of the Puckett No. 1 well. During late June 1999, MPC also participated (21.4%) in the drilling of the Smith No. 1 well. During the fiscal year 2000, the $119,000 cost of both wells was written off because the project was deemed to be uneconomic.

(f) Belize

Southern Offshore Block PSA

During July 2000, MPC (3%) and MPAL (20%) withdrew from the joint venture which was formed to explore the Southern Offshore Blocks in Belize, Central America. Most of the costs related to this project had been written off in prior years except for $33,000 written off in fiscal 2000.

(g) Exploratory and dry hole costs

The 2002, 2001 and 2000 costs relate primarily to the exploration work being performed on MPAL's offshore Western Australian properties. In addition, the costs in 2002 include the dry hole costs (a total of $2.7 million) of the Carbine-1 and the Maribou-1 wells which were drilled in the Browse Basin offshore Western Australia. The costs (in thousands) for MPC and MPAL by location were as follows:

2002	MPC	MPAL	Total
U.S. / Belize	$ -	$ 62	$ 62
Australia/New Zealand	-	4,081	4,081
Total	$ -	$4,143	$ 4,143
2001			
U.S. / Belize	$ -	$ 2	$ 2
Australia/New Zealand	-	1,622	1,622
Total	$ -	$1,624	$ 1,624
2000			
U.S. / Belize	$ 124	$ 32	$ 156
Australia	-	1,933	1,933
Total	$ 124	$ 1,965	$ 2,089

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2007. The contingent amounts will be dependent on such factors as the results of the current program to evaluate the exploration permits, drilling results and MPAL's financial position.
<TABLE>
<CAPTION>

<S> Fiscal Year <C>	Required Expenditures <C>	Contingent Expenditures <C>	Total <C>
2003	$2,323,000	$ 84,000	$ 2,407,000
2004	879,000	7,945,000	8,824,000
2005	963,000	14,113,000	15,076,000
2006	616,000	2,454,000	3,070,000
2007	-	1,421,000	1,421,000
Total	$4,781,000	$26,017,000	$30,798,000

</TABLE>

MPAL expects to fund its exploration costs through its cash and cash equivalents and cash flow from Australian operations. MPAL also expects that it will seek partners to share the above exploration costs. If MPAL's efforts to find partners is unsuccessful, it may be unable or unwilling to complete the exploration program for some of its properties. In addition to the above commitments, MPAL has commitments of approximately $924,000 with respect to the Palm Valley and Mereenie fields which have not been included in the consolidated financial statements.

3. MPC condensed financial statements

The following are unconsolidated condensed balance sheets and statements of income and cash flows of MPC (in thousands).

Magellan Petroleum Corporation
Condensed Balance Sheets

	June 30, 2002	June 30, 2001
Assets		
Current assets	$ 2,184	$ 2,485
Other assets	1,117	1,276
Investment in MPAL	14,863	13,536
Total assets	$18,164	$17,297
Liabilities And Stockholders' Equity		
Current liabilities	$ 104	$ 124
Stockholders' equity:		
Capital	43,332	43,426
Accumulated deficit	(15,751)	(15,843)
Accumulated other comprehensive loss	(9,521)	(10,410)
Total stockholders' equity	18,060	17,173
Total liabilities and stockholders' equity	$18,164	$17,297

Magellan Petroleum Corporation
Condensed Statements Of Income

	Years ended June 30, 2002	2001	2000
Revenues	$ 598	$ 564	$ 220
Costs and expenses	834	785	930
Loss before income taxes	(236)	(221)	(710)
Income tax provision	112	109	114
Loss before equity in MPAL	(348)	(330)	(824)
Equity in MPAL net income	440	1,402	2,314
Net income	$ 92	$ 1,072	$ 1,490

3. MPC condensed financial statements (Cont'd)

Magellan Petroleum Corporation
Condensed Statements Of Cash Flows

<TABLE>

<CAPTION>

	Years ended June 30,		
	2002	2001	2000
Operating Activities:			
<S>	<C>	<C>	<C>
Net income	$ 92	$ 1,072	$ 1,490
Adjustments to reconcile net income to net cash used in operating activities:			
Dry hole costs	-	-	71
Equity in MPAL net income	(440)	(1,402)	(2,314)
Change in operating assets and liabilities:			
Accounts receivable and other assets	362	(366)	(6)
Accounts payable and accrued liabilities	(20)	106	(52)
Net cash used in operating activities	(6)	(590)	(811)
Investing Activities:			
Additions to property and equipment	-	7	-
Marketable securities matured	2,540	1,250	(956)
Marketable securities purchased	(2,426)	-	-
Purchase of MPAL shares	(337)	(79)	(110)
Net cash used in investing activities	(223)	1,178	(1,066)
Financing Activities:			
Dividends from MPAL	624	621	760
Repurchases of common stock	(95)	(411)	-
Net cash provided by financing activities	529	210	760
Net increase (decrease) in cash and cash equivalents:	300	798	(1,117)
Cash and cash equivalents at beginning of year	880	82	1,199
Cash and cash equivalents at end of year	$ 1,180	$ 880	$ 82

</TABLE>

4. MPAL transactions and condensed financial statements

The following are the condensed consolidated balance sheets and consolidated statements of income of MPAL (in thousands). At June 30, 2002, Santos Ltd. held 18.2% of MPAL and Origin Energy Limited held 17.1% with the balance of 12.7% held by approximately 1,800 shareholders in Australia.

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include all of MPAL's subsidiaries.

Magellan Petroleum Australia Limited
Condensed Consolidated Balance Sheets

	June 30,	
	2002	2001
Assets		
Current assets	$19,041	$16,566
Other assets	777	688
Oil and gas properties - net	15,888	15,485
Land, building and equipment - net	767	757
Total assets	$36,473	$33,496

Liabilities And Stockholders' Equity

Current liabilities	$ 3,538	$ 3,517
Long term liabilities	4,069	4,077
Stockholders' equity:		
Capital	34,408	34,408
Retained earnings	11,075	11,440
Accumulated other comprehensive loss	(16,617)	(19,946)
	28,866	25,902
Total liabilities and stockholders' equity	$36,473	$33,496

4. MPAL transactions and condensed financial statements (Cont'd)

Magellan Petroleum Australia Limited
Condensed Consolidated Statements of Income

	Years ended June 30,		
	2002	2001	2000
Revenues	$13,754	$ 14,336	$ 16,927
Costs and expenses	12,981	10,639	12,337
Income before income taxes	773	3,697	4,590
Income tax benefit (provision)	73	(966)	(66)
Net income	$ 846	$ 2,731	$ 4,524

MPC and Minority Equity in MPAL

MPC equity interest in MPAL:			
MPC equity in net income	$ 440	$ 1,402	$ 2,314
Minority equity interest in MPAL:			
Minority interest in net income	$ 406	$ 1,329	$ 2,210
Other comprehensive income (loss)	1,596	(2,682)	(2,023)
Other	(184)	(49)	(77)
Dividends paid	(586)	(593)	(731)
Total minority interest increase (decrease)	$ 1,232	$ (1,995)	$ (621)

5. Capital and stock options

MPC's certificate of incorporation provides that any matter to be voted upon must be approved not only by a majority of the shares voted, but also by a majority of the stockholders casting votes present in person or by proxy and entitled to vote thereon.

On December 8, 2000, MPC announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. At June 30, 2002, MPC had purchased 500,850 of its shares at a cost of approximately $506,000.

On October 5, 1989, MPC adopted a Stock Option Plan covering one million shares of its common stock. The plan provided for options to be granted at a price of not less than fair value on the date of grant and for a term of not greater than ten years. On December 3, 1997, the Board of Directors approved a new stock option plan for an additional one million shares with similar terms.

At June 30, 2002, 792,666 of the stock options outstanding were vested and exercisable. During fiscal 2000, options to purchase 745,000 shares were granted of which 235,000 of the shares are being vested 1/3rd at the end of each year after the grant and the remaining options were vested at the date of grant. The following is a summary of option transactions for the three years ended June 30, 2002:

<TABLE>
<CAPTION>

Options outstanding	Expiration Dates	Number of shares	Exercise Prices ($)
<S> <C> <C>	<C>	<C>	<C>
June 30, 1999		196,000	1.57
Granted	Feb. 2005	745,000	1.28

June 30, 2000		941,000	1.28-1.57
Expired		(20,000)	1.57

June 30, 2001		921,000	1.28-1.57
Expired		(50,000)	1.57

June 30, 2002		871,000	1.28-1.57
		=======	($1.32 weighted average)

Summary of Options Outstanding at June 30, 2002

		Total	Vested	
Granted 1999	Oct. 2003	126,000	126,000	1.57
Granted 2000	Feb. 2005	745,000	666,666	1.28
		-------	-------	
Total		871,000	792,666	
		=======	=======	
Options reserved for future grants		255,000		
		=======		

</TABLE>

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations in accounting for its stock options because the alternative fair value accounting provided under FASB Statement No. 123, "Accounting for Stock Based Compensation," requires use of option valuation models that were not developed for use in valuing stock options. Under APB No. 25, because the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

5. Capital and stock options (Cont'd)

Upon exercise of options, the excess of the proceeds over the par value of the shares issued is credited to capital in excess of par value. No charges have been made against income in accounting for options during the three year period ended June 30, 2002.

Pro forma information regarding net income and earnings per share is required by Statement 123, and has been determined as if the Company had accounted for its stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model.

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The assumptions used in the 2000 valuation model were: risk free interest rate - 6.65%, expected life - - 5 years, expected volatility - .419, expected dividend - 0. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

For the purpose of pro forma disclosures, the estimated fair value of the stock options is generally expensed in the year of grant since most of the options are vested and immediately exercisable. The Company's pro forma information follows:

Net income as reported - June 30, 2000	$1,490,000	$ .06
Stock option expense	(336,000)	(.01)
Pro forma net income - June 30, 2000	$1,154,000	$ 05
Net income as reported - June 30, 2001	$1,072,000	$ .04
Stock option expense	(69,000)	-
Pro forma net income - June 30, 2001	$1,003,000	$ .04
Net income as reported - June 30, 2002	$ 92,000	$ -
Stock option expense	(31,000)	-
Pro forma net income - June 30, 2002	$ 61,000	$ -

6. Income taxes

(a) Components of pretax income (loss) by geographic area (in thousands) are as follows:

	Years ended June 30, 2002	2001	2000
United States	$ (313)	$ (247)	$ (686)
Foreign	850	3,723	4,565
Total	$ 537	$3,476	$3,879

(b) Reconciliation of the provision for income taxes (in thousands) computed at the Australian statutory rate to the reported provision for income taxes is as follows:

<TABLE>
<CAPTION>

<S>	Years ended June 30, 2002 <C>	2001 <C>	2000 <C>
Pretax consolidated income	$ 537	$3,476	$3,879
MPC's losses not recognized	236	221	710
Permanent differences	(872)	(471)	(1,534)
Book taxable income (loss) - Australia	$ (99)	$3,226	$3,055
Australian tax rate	30 %	34 %	36 %
Australian income tax provision (benefit)	$ (30)	$1,097	$1,100
Tax (benefit) attributable to reconciliation of year end deferred tax liability	(43)	(131)	(1,034)

MPAL Australian tax provision (benefit)	(73)	966	66
MPC income tax provision	112	109	114
Consolidated income tax provision	$ 39	$1,075	$ 180
Current income tax provision	$ 648	$ 1,682	$ 1,343
Deferred income tax benefit	(609)	(607)	(1,163)
Consolidated income tax provision	$ 39	$ 1,075	$ 180
Effective tax rate	7%	31%	5%

</TABLE>

The amounts of $2,731,000 and $3,029,000 in deferred income tax liability at June 30, 2002 and June 30, 2001, respectively, relate primarily to the deduction of acquisition and development costs which are capitalized for financial statement purposes. The 2002 credit of $43,000 represents the tax benefit of prior years' losses previously not taken into account. The 2001 credit of $131,000 represents the tax benefit of the reduction in the Australian income tax rate. The 2000 credit of $1,034,000 represents the tax benefit of $378,000 of prior years' losses previously not taken into account and the tax benefit of $656,000 from the reduction in the Australian income tax rate.

6. Income taxes (Cont'd)

(c) United States

At June 30, 2002, the Company had approximately $14,627,000 and $2,906,000 of net operating loss carry forwards for federal and state income tax purposes, respectively, which are scheduled to expire periodically between the years 2003 and 2022. Of this amount, MPC has federal loss carry forwards that expire as follows: $209,000 in 2003, $915,000 in 2004, $570,000 in 2005, $865,000 in 2007, $2,055,000 in 2008, $408,000 in 2020, $52,000 in 2021 and $230,000 in 2022. MPAL's U.S. subsidiary has federal loss carry forwards that expire as follows: $220,000 in 2005, $2,392,000 in 2006, $1,669,000 in 2010, $1,764,000 in 2011, $2,855,000 in 2012, $229,000 in 2013, $96,000 in 2019, $25,000 in 2021 and $73,000 in 2022. MPC also has approximately $441,000 of foreign tax credit carryovers, which are scheduled to expire periodically between the years 2004 and 2007. MPC's state loss carry forwards expire periodically between the years 2003 and 2022. For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax assets related to those carry forwards and other deductible temporary differences. Significant components of the Company's deferred tax assets were as follows:

	June 30, 2002	June 30, 2001
Net operating losses	$3,554,000	$3,741,000
Foreign tax credits	441,000	603,000
Interest	214,000	214,000
Total deferred tax assets	4,209,000	4,558,000
Valuation allowance	(4,209,000)	(4,558,000)
Net deferred tax assets	$ -	$ -

7. Bank loan

MPAL had a A.$10 million line of credit with an Australian bank at the bank's prime rate of interest (5.2% at June 30, 2001) plus .5% which was subject to renewal annually, was unsecured and expired on December 31, 2001. MPAL did not renew the line of credit because of the annual cost and because the line had not been utilized for many years.

8. Related party and other transactions

G&O'D INC, a firm that provides accounting and administrative services, office facilities and support staff to MPC, was paid $34,120, $38,900 and $138,953 in fees for fiscal years 2002, 2001 and 2000 respectively. James R. Joyce, the President and Chief Financial Officer of MPC, is the owner of G&O'D INC. Effective January 1, 2000, Mr. Joyce became a paid officer of MPC and received an annual salary of $160,000 for calendar year 2002 ($155,000 for 2001 and $150,000 for 2000). Mr. Timothy L. Largay, a director of the Company is a member of the law firm of Murtha Cullina LLP, which firm was paid fees of $36,597, $33,054 and $29,943 for fiscal years 2002, 2001 and 2000, respectively.

9. Leases

At June 30, 2002, future minimum rental payments applicable to MPAL's noncancelable operating (office) lease were as follows:

Fiscal Year	Amount
2003	$109,000
2004	115,000
Total	$224,000

The information regarding the rental expense for all operating leases is included in Note 13.

10. Pension Plan

MPAL maintains a defined benefit pension plan and contributes to the plan at rates which (based on actuarial determination) are sufficient to meet the cost of employees' retirement benefits. No employee contributions are required. MPAL is committed to make up any shortfall in the plan's assets to meet payments to employees as they become due. Plan participants are entitled to defined benefits on normal retirement, death or disability. MPAL is currently reviewing the effectiveness of the plan and no new employees will be added to the plan until the review has been completed.

The following table sets forth the actuarial present value of benefit obligations and funded status for the MPAL pension plan:

	June 30, 2002	June 30, 2001
Change in Benefit Obligation		
Benefit obligation at beginning of year	$2,227,884	$2,281,366
Service cost	185,256	156,846
Interest cost	132,530	114,610
Actuarial gains and losses	31,815	79,053
Benefits paid	(1,240,563)	(4,977)
Taxes on contributions	(25,129)	(25,474)
Expenses	(36,128)	(43,263)
Foreign currency effect	231,780	(330,277)
Benefit obligation at end of year	$1,507,445	$2,227,884
Change in Plan Assets		
Fair value of plan assets at beginning of year	$2,613,307	$2,812,230
Actual return on plan assets	(119,749)	118,536
Contributions by employer	142,467	163,387
Benefits paid	(1,240,563)	(4,977)
Foreign currency effect	271,878	(407,132)
Other (expenses)	(61,257)	(68,737)
Fair value of plan assets at end of year	$1,606,083	$2,613,307
Reconciliation of Funded Status		
Funded Status	$ 98,638	$ 385,423
Unamortized transition asset	(50,135)	(68,116)
Unamortized loss	728,565	370,791
Prepaid benefit costs	$777,068	$ 688,098

======== ==========

10. Pension Plan (Cont'd)

The net pension expense for the MPAL pension plan was as follows:

	Years ended June 30,		
	2002	2001	2000
Service cost	$185,256	$156,846	$194,154
Interest cost	132,530	114,610	125,634
Expected return on plan assets	(175,691)	(158,893)	(167,133)
Net amortization and deferred items	(17,011)	(22,705)	(26,549)
Net pension cost	$125,084	$ 89,858	$126,106
Plan contributions by MPAL	$142,467	$163,387	$170,907

Significant assumptions used in determining pension cost and the related obligations were as follows:

	2002	2001	2000
Assumed discount rate	5.5%	5.5%	6.0%
Rate of increase in future compensation levels	4.0%	4.0%	4.5%
Expected long term rate of return on plan assets	5.0%	6.0%	6.5%
Australian exchange rate	$.56	$.51	$.60

11. Segment information

The Company has two reportable segments, MPC and its majority owned subsidiary, MPAL. Although 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:

	Years ended June 30,		
	2002	2001	2000
Revenues:			
MPC	$ 1,222	$ 1,185	$ 980
MPAL	13,754	14,336	16,927
Elimination of intersegment dividend	(624)	(621)	(760)
Total consolidated revenues	$14,352	$14,900	$17,147

11. Segment information (Cont'd)

<TABLE>
<CAPTION>

	Years ended June 30,		
	2002	2001	2000
Interest income:			
<S>	<C>	<C>	<C>
MPC	$ 115	$ 171	$ 174
MPAL	537	720	643
Total consolidated	$ 652	$ 891	$ 817

Net income (loss):			
MPC	$ 276	$ 291	$ (64)
Equity in earnings of MPAL	440	1,402	2,314
Elimination of intersegment dividend	(624)	(621)	(760)
Consolidated net income	$ 92	$ 1,072	$ 1,490
Assets:			
MPC	$ 18,164	$ 17,297	$ 19,115
MPAL	36,473	33,496	40,153
Equity elimination	(14,471)	(13,295)	(15,292)
Total consolidated assets	$ 40,166	$ 37,498	$ 43,976
Other significant items:			
Depletion, depreciation and amortization:			
MPC	$ -	$ -	$ -
MPAL	3,447	3,474	3,670
Total consolidated	$ 3,447	$ 3,474	$ 3,670
Exploratory and dry hole costs:			
MPC	$ -	$ -	$ 124
MPAL	4,143	1,624	1,965
Total consolidated	$ 4,143	$ 1,624	$ 2,089
Income tax expense (benefit):			
MPC	$ 112	$ 109	$ 114
MPAL	(73)	966	66
Total consolidated	$ 39	$ 1,075	$ 180

</TABLE>

12. Geographic information

As of each of the stated dates, the Company's revenue, operating income, net income or loss and identifiable assets (in thousands) were geographically attributable as follows:
<TABLE>
<CAPTION>

	Years ended June 30,		
	2002	2001	2000
Revenue:			
<S>	<C>	<C>	<C>
Australia	$13,757	$14,336	$16,927
United States	113	172	177
Canada	482	392	43
	$14,352	$14,900	$17,147
Operating income (loss):			
Australia	$ 396	$ 3,350	$ 4,038
New Zealand	(64)	(321)	-
Belize	(2)	(7)	(80)
United States	409	365	94
	739	3,387	4,052
Corporate overhead and interest, net of other income (expense)	(202)	89	(173)
Consolidated operating income before			

income taxes and minority interests	$ 537	$ 3,476	$ 3,879
	=======	========	=======
Net income (loss):			
Australia	$ 504	$ 1,535	$ 2,332
Belize	(1)	(4)	(42)
New Zealand	(23)	(116)	-
United States	(388)	(343)	(800)
	--------	--------	-------
	$ 92	$ 1,072	$ 1,490
	========	========	=======
Identifiable assets:			
Australia	$36,475	$33,498	$40,152
United States	-	-	100
	-------	-------	-------
	36,475	33,498	40,252
Corporate assets	3,691	4,000	3,724
	-------	-------	-------
	$40,166	$37,498	$43,976
	=======	=======	=======

</TABLE>

Substantially all (92%) of MPAL's gas sales were to the Power and Water Authority (PAWA) of the Northern Territory of Australia (NTA). All of MPAL's crude oil production was sold to the Mobil Port Stanvac Refinery near Adelaide.

13. Other financial information

<TABLE>
<CAPTION>

	Years ended June 30,		
	2002	2001	2000
	----	----	----
Other administrative expenses:			
<S>	<C>	<C>	<C>
Consultants	$ 55,681	$ 84,569	$ 91,524
Directors' fees and expense	178,906	166,862	210,449
Insurance	182,592	163,666	166,004
Interest expense	9,808	16,531	19,093
Rent	188,494	183,780	193,098
Taxes	210,050	174,333	195,305
Travel	129,808	129,118	97,110
Other (net of overhead reimbursements)	(179,262)	(202,082)	(251,328)
	----------	----------	-----------
	$ 776,077	$ 716,777	$ 721,255
	==========	==========	===========
Royalty payments	$1,170,088	$1,326,455	$1,508,146
	==========	==========	==========
Interest payments	$ 9,808	$ 16,531	$ 19,093
	==========	==========	=========
Income tax payments	$1,360,776	$1,752,371	$ 239,750
	==========	==========	=========

</TABLE>

14. Selected quarterly financial data (unaudited)

The following is a summary (in thousands) except for per share amounts of the quarterly results of operations for the years ended June 30, 2002 and 2001: See Management's Discussion and Analysis of Financial Condition and Results of Operations.

<TABLE>
<CAPTION>

2002	QTR 1	QTR 2	QTR 3	QTR 4
- ----	-----	-----	-----	-----
	($)	($)	($)	($)
<S>	<C>	<C>	<C>	<C>

Total revenues	3,924	3,138	3,369	3,921
Costs and expenses	(2,680)	(4,953)	(3,262)	(2,920)
Income tax (provision) benefit	(309)	506	(26)	(210)
Minority interests	(513)	577	(78)	(392)
Net income (loss)	422	(732)	3	399
Per share (basic & diluted)	.01	(.03)	-	.02
Average number of shares outstanding	24,658	24,607	24,607	24,607

2001	QTR 1	QTR 2	QTR 3	QTR 4
	($)	($)	($)	($)
Total revenues	3,868	3,823	3,529	3,680
Costs and expenses	(2,460)	(3,574)	(2,092)	(3,298)
Income tax (provision) benefit	(478)	(114)	(489)	6
Minority interests	(538)	(157)	(527)	(107)
Net income (loss)	392	(22)	421	281
Per share (basic & diluted)	.01	-	.02	.01
Average number of shares outstanding	25,108	25,091	24,967	24,772

</TABLE>

MAGELLAN PETROLEUM CORPORATION
SUPPLEMENTARY OIL AND GAS INFORMATION
June 30, 2002
(unaudited)

The consolidated data presented herein include estimates which should not be construed as being exact and verifiable quantities. The reserves may or may not be recovered, and if recovered, the cash flows there from, and the costs related thereto, could be more or less than the amounts used in estimating future net cash flows. Moreover, estimates of proved reserves may increase or decrease as a result of future operations and economic conditions, and any production from these properties may commence earlier or later than anticipated.

Estimated net quantities of proved developed and proved oil and gas reserves:
<TABLE>
<CAPTION>

	Natural Gas (Bcf)		Oil (1,000 Bbls)
Proved Reserves:	Australia (*)	Canada (**)	Australia
<S> <C> <C>	<C>	<C>	<C>
June 30, 1999	80.538	-	730
Revision of previous estimates	(3.902)	-	(62)
Production	(6.047)	-	(172)
June 30, 2000	70.589	-	496
Revision of previous estimates	(16.788)	.724	175
Extensions and discoveries	3.963	-	-
Production	(5.595)	(.137)	(148)
June 30, 2001	52.169	.587	523
Revision of previous estimates	(5.828)	-	138
Extensions and discoveries	-	-	-
Purchase of reserves	.353	-	-
Production	(5.914)	(.053)	(141)

June 30, 2002	40.780	.534	520

Proved Developed Reserves:

June 30, 1999	80.538	-	730
June 30, 2000	70.589	-	496
June 30, 2001	52.169	.587	496
June 30, 2002	29.102	.534	520

</TABLE>

(*) The amount of proved reserves applicable to the Palm Valley and Mereenie fields only reflects the amount of gas committed to specific contracts. Approximately 48% of reserves are attributable to minority interests at June 30, 2002 (48.7% for 2001 and 48.8% for 2000).
(**) On January 19, 2001, MPC's carried interest account in the Kotaneelee reached undisputed payout status.

Costs of oil and gas activities (in thousands):

	Australia/New Zealand		
Fiscal Year	Exploration Costs	Development Costs	Acquisition Costs
2002	$ 4,082	$ 1,288	$ 270
2001	1,622	2,266	-
2000	2,001	2,080	-

Fiscal Year	Americas Exploration Costs
2002	$ 62
2001	2
2000	17

Capitalized costs subject to depletion, depreciation and amortization (DD&A) (in thousands):

June 30, 2002	Australia	Americas	Total
Costs subject to DD&A	$47,014	$ -	$47,014
Costs not subject to DD&A	-	-	-
Less accumulated DD&A	(29,968)	-	(29,968)
Net capitalized costs	$17,046	$ -	$17,046

June 30, 2001	Australia	Americas	Total
Costs subject to DD&A	$40,367	$ -	$40,367
Costs not subject to DD&A	-	-	-
Less accumulated DD&A	(23,885)	-	(23,885)
Net capitalized costs	$16,482	$ -	$16,482

Discounted future net cash flows:

The following is the standardized measure of discounted (at 10%) future net cash flows (in thousands) relating to proved oil and gas reserves during the three years ended June 30, 2002. For the fiscal year 2000, Australia was the only cost center with proved reserves. At June 30, 2002, approximately 48% (48.7% for 2001 and 48.8% for 2000) of the reserves and the respective discounted future net cash flows are attributable to minority interests.
<TABLE>
<CAPTION>

Australia

	2002	2001	2000
<S>	<C>	<C>	<C>
Future cash inflows	$74,503	$90,984	$120,385
Future production costs	(13,481)	(15,339)	(16,696)
Future development costs	(11,735)	(9,421)	(7,896)
Future income tax expense	(12,421)	(17,740)	(26,482)
Future net cash flows	36,866	48,484	69,311
10% annual discount for estimating timing of cash flows	(11,079)	(16,837)	(25,261)
Standardized measures of discounted future net cash flows	$25,787	$31,647	$44,050

Canada

	2002	2001	2000
Future cash inflows	$1,029	$1,831	None
Future production costs	(229)	(444)	
Future development costs	-	(40)	
Future income tax expense	(200)	(337)	
Future net cash flows	600	1,010	
10% annual discount for estimating timing of cash flows	(76)	(134)	
Standardized measures of discounted future net cash flows	$ 524	$ 876	

Total

	2002	2001	2000
Future cash inflows	$75,532	$92,815	$120,385
Future production costs	(13,710)	(15,783)	(16,696)
Future development costs	(11,735)	(9,461)	(7,896)
Future income tax expense	(12,621)	(18,077)	(26,482)
Future net cash flows	37,466	49,494	69,311
10% annual discount for estimating timing of cash flows	(11,155)	(16,971)	(25,261)
Standardized measures of discounted future net cash flows	$26,311	$32,523	$ 44,050

</TABLE>

The following are the principal sources of changes in the above

standardized measure of discounted future net cash flows (in thousands):
<TABLE>
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Net change in prices and production costs	$ 581	$ 725	$ 1,123
Extensions and discoveries	-	4,895	-
Revision of previous quantity estimates	(6,850)	(9,997)	929
Changes in estimated future development costs	(2,868)	(3,968)	(8,831)
Sales and transfers of oil and gas produced	(7,763)	(7,254)	(7,990)
Previously estimated development cost incurred during the period	1,327	2,266	-
Accretion of discount	2,975	4,134	4,372
Net change in income taxes	3,958	3,028	6,344
Net change in exchange rate	2,428	(5,356)	(5,218)
	$(6,212)	$(11,527)	$(9,271)

</TABLE>

Additional information regarding discounted future net cash flows:

Australia

Reserves - Natural Gas

Future net cash flows from net proved gas reserves in Australia were based on MPAL's share of reserves in the Palm Valley and Mereenie fields which has been limited to the quantities of gas committed to specific contracts and the ability of the fields to deliver the gas in the contract years.

Reserves and Costs - Oil

At June 30, 2002, future net cash flows from the net proved oil reserves in Australia were calculated by the Company. Estimated future production and development costs were based on current costs and rates for each of the three years ended at June 30, 2002. All of the crude oil reserves are developed reserves. Undeveloped proved reserves have not been estimated since there are only tentative plans to drill additional wells.

Income taxes

Future Australian income tax expense applicable to the future net cash flows has been reduced by the tax effect of approximately A. $13,982,000, A.$13,892,000 and A.$13,248,000 in unrecouped capital expenditures at June 30, 2002, 2001 and 2000, respectively. The tax rate in computing Australian future income tax expense was 30% for the fiscal years 2002 and 2001 and 34% for 2000.

Canada

For financial statements purposes in fiscal 1987 and 1988, MPC wrote down its costs relating to the Kotaneelee gas field to a nominal value because of the uncertainty as to the date when sales of Kotaneelee gas might begin and the immateriality of the carrying value of the investment. On January 19, 2001, MPC's carried interest account in the Kotaneelee gas field reached undisputed payout status. During the 4th quarter of the fiscal year 2001, MPC began accruing its share of Kotaneelee net proceeds as income.

Reserves and Costs

Future net cash flows from net proved gas reserves in Canada were based on MPC's share of reserves in the Kotaneelee gas field which was prepared by independent petroleum consultants, Paddock Lindstrom & Associates Ltd., Calgary, Canada. The estimates were based on the selling price of gas Can. $2.92 at June 30, 2002 (Can. $4.70 - 2001) and estimated future production and development costs at June 30, 2002.

Results of Operations

The following are the Company's results of operations (in thousands) for the oil and gas producing activities during the three years ended June 30, 2002:

<TABLE>
<CAPTION>

	Americas			Australia/New Zealand		
	2002	2001	2000	2002	2001	2000
Revenues:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Oil sales	$ -	$ -	$ 2	$3,259	$4,639	$4,634
Gas sales	482	392	43	8,185	8,144	10,466
Other production income	-	-	-	1,781	835	1,225
Total revenues	482	392	45	13,225	13,618	16,325
Costs:						
Production costs	-	2	2	3,770	3,490	4,490
Depletion, exploratory and dry hole costs	62	2	88	7,419	4,973	5,264
Total costs	62	4	90	11,189	8,463	9,754
Income (loss) before taxes and minority interest	420	388	(45)	2,036	5,155	6,571
Income tax provision*	(121)	(98)	-	(611)	(1,753)	(2,365)
Income before minority interests	299	290	(45)	1,425	3,402	4,206
Minority interests**	30	1	17	(684)	(1,657)	(2,054)
Net income (loss) from operations	$329	$291	$ (62)	$ 741	$ 1,745	$ 2,154
Depletion per unit of production	-	-	-	A.$5.35	A.$5.33	A.$4.27

</TABLE>

* Income tax provision Australia 30% in 2002, 34% in 2001 and 36 % in 2000. Americas 25% in 2002 and 2001 due to a 25% Canadian withholding tax on Kotaneelee gas sales.

**Minority interests 48% in 2002, 48.7% in 2001 and 48.8 % in 2000.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

For information concerning Item 10 - Directors and Executive Officers of the Company, Item 11 - Executive Compensation, Item 12 - Security Ownership of Certain Beneficial Owners and Management and Item 13 - Certain Relationships and Related Transactions, see the Proxy Statement of Magellan Petroleum Corporation relative to the Annual Meeting of Stockholders for the fiscal year ended June 30, 2002, to be filed with the Securities and Exchange Commission, which information is incorporated herein by reference. For information concerning the Executive Officers of the Company, see Part I.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information about the Company's common stock that may be issued upon the exercise of options and rights under all of the Company's existing equity compensation plans as of June 30, 2002, including the 1989 and 1998 Stock Option Plans.

<TABLE>
<CAPTION>

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a) (#)	Weighted average exercise price of outstanding options, warrants and rights (b) ($)	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (#)
Equity compensation plans approved by security holders (1)	745,000	$1.28	255,000
Equity compensation plans not approved by security holders (2)	126,000	$1.57	-
Total:	871,000	$1.32	255,000

</TABLE>

(1) 1998 Stock Option Plan.
(2) 1989 Stock Option Plan.

The Company's 1989 Stock Option Plan was adopted by the Board of Directors of the Company in October 1989. 1,000,000 shares of the Company's common stock were authorized for issuance under the terms of the plan. Options under the plan may be granted only to directors, officers, key employees of, and consultants and consulting firms to, (i) the Company, (ii) subsidiary corporations of the Company from time to time and any business entity in which the Company from time to time has a substantial interest. The exercise price of each option to be granted under the plan shall not be less than the fair market value of the stock subject to the option on the date of grant of the option. A total of 1,000,000 options were granted under the plan and no further options will be granted under the terms of the plan.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) (1) Financial Statements.

The financial statements listed below and included under Item 8 are filed as part of this report.

	Page reference
Report of Independent Auditors	37
Consolidated balance sheets as of June 30, 2002 and 2001	38
Consolidated statements of income for each of the three years in the period ended June 30, 2002	39
Consolidated statements of changes in stockholders' equity for each of the three years in the period ended June 30, 2002	40
Consolidated statements of cash flows for each of the three years in the period ended June 30, 2002	41
Notes to consolidated financial statements	42-67
Supplementary oil and gas information (unaudited)	68-72

(2) Financial Statement Schedules.

All schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and the notes thereto.

(b) Reports on Form 8-K.

None.

(c) Exhibits.

The following exhibits are filed as part of this report:

Item Number

2. Plan of acquisition, reorganization, arrangement, liquidation or succession.

None.

3. Articles of Incorporation and By-Laws.

(a) Restated Certificate of Incorporation as filed on May 4, 1987 with the State of Delaware and Amendment of Article Twelfth as filed on February 12, 1988 with the State of Delaware filed as exhibit 4(b) to Form S-8 Registration Statement, filed on January 14, 1999, are incorporated herein by reference.

(b) Copy of the By-Laws, as amended filed as exhibit 4(c) to Form S-8 Registration Statement, filed on January 14, 1999 is incorporated herein by reference.

4. Instruments defining the rights of security holders, including indentures.

None.

9. Voting Trust Agreement.

None.

10. Material contracts.

(a) Petroleum Lease No. 4 dated November 18, 1981 granted by the Northern Territory of Australia to United Canso Oil & Gas Co. (N.T.) Pty Ltd. filed as Exhibit 10(a) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(b) Petroleum Lease No. 5 dated November 18, 1981 granted by the Northern Territory of Australia to Magellan Petroleum (N.T.) Pty. Ltd. filed as Exhibit 10(b) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(c) Gas Sales Agreement between The Palm Valley Producers and The Northern Territory Electricity Commission dated November 11, 1981 filed as Exhibit 10(c) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(d) Palm Valley Petroleum Lease (OL3) dated November 9, 1982 filed as Exhibit 10(d) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(e) Agreements relating to Kotaneelee.

(1) Copy of Agreement dated May 28, 1959 between the Company et al and Home Oil Company Limited et al and Signal Oil and Gas Company filed as Exhibit 10(e) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(2) Copies of Supplementary Documents to May 28, 1959 Agreement (see (e)(1) above), dated June 24, 1959, consisting of Guarantee by Home Oil Company Limited and Pipeline Promotion Agreement filed as Exhibit 10(e) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(3) Copy of Modification to Agreement dated May 28, 1959 (see (e)(1) above), made as of January 31, 1961. Filed as Exhibit 10(e) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(4) Copy of Letter Agreement dated February 1, 1977 between the Company and Columbia Gas Development of Canada, Ltd. for operation of the Kotaneelee gas field filed as Exhibit 10(e) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(f) Palm Valley Operating Agreement dated April 2, 1985 between Magellan Petroleum (N.T.) Pty. Ltd., C. D. Resources Pty. Ltd., Farmout Drillers N.L., Canso Resources Limited, International Oil Proprietary, Pancontinental Petroleum Limited, I.E.D.C. Australia Pty. Ltd., Southern Alloys Ventures Pty. Limited and Amadeus Oil N.L. filed as Exhibit 10(f) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(g) Mereenie Operating Agreement dated April 27, 1984 between Magellan Petroleum (N.T.) Pty., United Oil & Gas Co. (N.T.) Pty. Ltd., Canso Resources Limited, Oilmin (N.T.) Pty. Ltd., Krewliff Investments Pty. Ltd., Transoil (N.T.) Pty. Ltd. and Farmout Drillers NL and Amendment of October 3, 1984 to the above agreement filed as Exhibit 10(g) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

.

(h) Palm Valley Gas Purchase Agreement dated June 28, 1985 between Magellan Petroleum (N.T.) Pty. Ltd., C. D. Resources Pty. Ltd., Farmout Drillers N.L., Canso Resources Limited, International Oil Proprietary, Pancontinental Petroleum Limited, IEDC Australia Pty Limited, Amadeus Oil N.L., Southern

Alloy Venture Pty. Limited and Gasgo Pty. Limited. Also included are the Guarantee of the Northern Territory of Australia dated June 28, 1985 and Certification letter dated June 28, 1985 that the Guarantee is binding. All of the above were filed as Exhibit 10(h) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) and are incorporated herein by reference.

(i) Mereenie Gas Purchase Agreement dated June 28, 1985 between Magellan Petroleum (N.T.) Pty. Ltd., United Oil & Gas Co. (N.T.) Pty. Ltd., Canso Resources Limited, Moonie Oil N.L., Petromin No Liability, Transoil No Liability, Farmout Drillers N.L., Gasgo Pty. Limited, The Moonie Oil Company Limited, Magellan Petroleum Australia Limited and Flinders Petroleum N.L. Also included is the Guarantee of the Northern Territory of Australia dated June 28, 1985. All of the above were filed as Exhibit 10(i) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) and are incorporated herein by reference.

..

(j) Agreements dated June 28, 1985 relating to Amadeus Basin -Darwin Pipeline which include Deed of Trust Amadeus Gas Trust, Undertaking by the Northern Territory Electric Commission and Undertaking from the Northern Territory Gas Pty Ltd. filed as Exhibit 10(j) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(k) Agreement between the Mereenie Producers and the Palm Valley Producers dated June 28, 1985 filed as Exhibit 10(k) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(l) Form of Agreement pursuant to Article SIXTEENTH of the Company's Certificate of Incorporation and the applicable By-Law to indemnify the Company's directors and officers filed as Exhibit 10(l) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

..

(m) 1998 Stock Option Plan, filed as exhibit 4(a) to Form S-8 Registration Statement on January 14, 1999, is incorporated filed as Exhibit 10(m) to Annual Report on Form 10-K for the year ended June 30, 1999 (File No. 001-5507) is incorporated herein by reference.

(n) Employment Agreement between James R. Joyce and Magellan Petroleum Corporation dated January 1, 2000 filed as Exhibit 10(N) to Annual Report on Form 10-K for the year ended June 30, 2001 (File No. 001-5507) is incorporated herein by reference.

(o) 1989 Stock Option Plan is filed herein.

11. Statement re computation of per share earnings.

Not applicable.

12. Statement re computation of ratios.

None.

13. Annual report to security holders, Form 10-Q or quarterly report to security holders.

Not applicable.

16. Letter re change in certifying accountant.

None.

18. Letter re change in accounting principles.

None.

21. Subsidiaries of the registrant.

Filed herein.

22. Published report regarding matters submitted to vote of security holders.

Not applicable.

23. Consent of experts and counsel.

1. Consent of Ernst & Young LLP filed herein

2. Consent of Paddock Lindstrom & Associates, Ltd. iled herein.

24. Power of attorney.

None.

99. Additional Exhibits.

1. Section 906 Certification

(d) Financial Statement Schedules.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

/s/ James R. Joyce

James R. Joyce, President

Dated: September 24, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<TABLE>
<CAPTION>

<C>	<C>
/s/ Donald V. Basso	/s/ James R. Joyce
- ------------------------	-------------------------------
Donald V. Basso	James R. Joyce
Director	Director, President and Chief Executive Officer, Chief Financial and Accounting Officer
Dated: September 24, 2002	Dated: September 24, 2002
-------------------	------------------
/s/ Timothy L. Largay	/s/ Ronald P. Pettirossi
- ------------------------	--------------------------
Timothy L. Largay	Ronald P. Pettirossi
Director	Director
Dated: September 24, 2002	

/s/ Walter McCann	
- -------------------------	
Walter McCann	
Director	
Dated: September 24, 2002	

</TABLE>

Form 10-K

MAGELLAN PETROLEUM CORPORATION

Certification

CERTIFICATIONS

I, James R. Joyce, certify that:

1. I have reviewed this annual report on Form 10-K of Magellan Petroleum Corporation; and

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

Dated: September 24, 2002 \s\ James R. Joyce

James R. Joyce

President and Chief Executive Officer,
Chief Financial and Accounting Officer

INDEX TO EXHIBITS

10. (O) 1989 Stock Option Plan is filed herein.

21. Subsidiaries of the Registrant.

23. 1. Consent of Ernst & Young LLP
2. Paddock Lindstrom & Associates, Ltd.

99.1 Section 906 Certification

Exhibit 10 (o)

MAGELLAN PETROLEUM CORPORATION
1989 STOCK OPTION PLAN

1. Purpose of Plan. The purpose of this stock option plan (the "Plan") is to further the success of Magellan Petroleum Corporation, a Delaware corporation, (the "Company"), and its subsidiaries or affiliates, by making available stock of the Company for purchase by eligible directors, officers and key employees of and consultants to the Company and its subsidiaries or affiliates, and thus to provide an additional incentive to such persons to continue their affiliation with the Company and its subsidiaries or affiliates and to give them a greater interest as stockholders in the success of the Company.

2. Stock Subject to Plan. There shall be reserved for issuance or transfer upon the exercise of options to be granted from time to time under the Plan an aggregate of 1,000,000 shares of the Company's common stock, one cent par value (the "Stock"), which shares, as the Board of Directors shall from time to time determine, may be in whole or in part authorized and unissued shares of stock or issued shares of stock which shall have been reacquired by the Company. If any option granted under the Plan shall expire, be surrendered to the Company or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of the Plan.

3. Administration. The Plan shall be administered by a committee (the "Committee") of not less than two (2) members of the Board of Directors of the Company, appointed by the Board. Vacancies occurring in membership of the Committee shall be filled by the Board.

The Committee shall keep minutes of its meetings. One or more members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment provided all persons participating in the meeting can hear one another. A majority of the entire Committee shall constitute a quorum, and the acts of a majority of the members present at or so participating in any meeting at which a quorum is constituted shall be the acts of the Committee.

The Committee may act without meeting by unanimous written consent. Absent some other provision by the Board, the power and responsibilities of the Committee shall be vested in and assumed by the Board of Directors of the Company acting as a committee of the whole.

The Committee shall have absolute authority in its discretion, but subject to the express provisions of the Plan, to determine (i) the purchase price of the Stock covered by each option, (ii) the person to whom options shall be granted, (iii) the time or times at which options shall be granted, (iv) the number of shares to be subject to each option, and (v) the time or times at which an option can be exercised and whether in whole or installments; to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; to determine the terms and provisions (and amendments thereof) of the respective option agreements (which need not be identical), including such terms and provisions (and amendments) as shall be required in the judgment of the Committee to conform to any change in any law or regulation applicable thereto; and to make any and all other determinations deemed necessary or advisable for the administration of the Plan. The Committee's determination on the foregoing matters shall be conclusive.

The Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as it may determine. The Committee shall establish such rules and regulations for the conduct of its business as it shall deem advisable.

4. Eligibility. Options under the Plan may be granted only to directors, officers, key employees of and consultants and consulting firms to (i) the Company, (ii) subsidiary corporations of the Company from time to time ("Subsidiaries") and (iii) any business entity in which the Company shall from time to time have a substantial interest ("Affiliate"), who, in the sole opinion

of the Committee are, from time to time, responsible for the management and/or growth of all or part of the business of the Company. In determining the persons to whom options shall be granted and the number of shares to be covered by each option, the Committee may take into account the nature of the services rendered by such persons, their present and potential contribution to the Company's success, and such other factors as the Committee in its discretion shall deem relevant.

5. Option Prices. The purchase price of Stock under each option shall be determined by the Committee but may not be less than the fair market value of the Stock on the date of grant. The fair market value of the Stock on any given date shall be the closing price of the Stock on the Pacific Stock Exchange (or the principal exchange on which the Stock is traded) on such date, or, if no sales of the Stock occurred on that day, the then most recent day on which sales were reported.

6. Exercise of Option. The Committee shall have authority in its discretion to prescribe in any option agreement that the option may be exercised in different installments during the term of the option. The purchase price of the shares to be acquired shall be paid in full in cash upon the exercise of the option, and the Company shall not be required to deliver certificates for such shares until such payment has been made and such other conditions to the valid and lawful issuance of the shares as may exist from time to time shall have been fully satisfied. The term of each Option shall be for such period as the Committee shall determine, but not more than ten years from the date of granting thereof, or such shorter period as described in Paragraphs 8 and 9 hereof. As to employees, except as provided in Paragraphs 8 and 9 hereof, an option granted to an employee of the Company or one of its Subsidiaries or Affiliates, may not be exercised unless the holder thereof is at the time of such exercise (and has been since the date of grant) an employee of the Company or one of its then Subsidiaries or a then Affiliate. The holder of an option shall not have any of the rights of a stockholder with respect to the shares subject to option until such shares shall be issued or transferred to him upon exercise of his option. The exercise of any option by a United States citizen or resident may be contingent upon receipt of a representation that at the time of such exercise it is the optionee's present intention to acquire the shares being purchased for investment. The certificate(s) rep- resenting shares issued upon exercise of any option may contain a legend restricting transfer thereof.

7. Nontransferability of Options. Subject to Paragraph 9 hereof, options granted under the Plan shall be nontransferable.

8. Termination of Employment. In the case of an option granted to any employee of the Company or one of its Subsidiaries or Affiliates, in the event of termination of employment, other than (a) a termination that is either (i) for cause or (ii) voluntary on the part of the employee and without the written consent of the Company, or (b) a termination by reason of death, the employee may (unless otherwise provided in his option agreement) exercise his option at any time within three months after such termination of employment, or such other time as the Committee shall authorize, but in no event after ten years from date of granting thereof, to the extent of the number of shares covered by his option which were purchasable by him at the date of termination of his employment. In the event of the termination of the employment of an employee to whom an option has been granted under the Plan that is either (i) for cause or (ii) voluntary on the part of the employee without the written consent of the Company, any option granted pursuant to the Plan, to the extent not theretofore exercised, shall forthwith terminate. Nothing in the Plan or any option agreement shall confer on any individual any right to continue in any capacity his relationship with the Company or any of its Subsidiaries or Affiliates or interfere in any way with the right of the Company or any of its Subsidiaries or Affiliates to terminate such relationship at any time.

This Paragraph 8 is applicable only to options granted to full-time officers and employees and is not applicable to options granted to nonemployee directors and consultants.

9. Death of Holder of Option. In the event of the death of any holder of an option which has been granted under the Plan, such option (unless previously terminated) may be exercised (to the extent exercisable by such person at the date of his death) by a legatee or legatees of such option under such person's will, or by such person's legal representative or distributees, at any time within a period of one year after his death, but not after ten years from the date of granting thereof.

10. Adjustment Upon Changes in Capitalization. Notwithstanding any other provisions of the Plan, each option agreement shall contain such provisions as the Committee shall determine to be appropriate for the adjustment of the number and class of shares subject to such option and of the option price in the event of changes in the outstanding Stock by reasons of any stock dividend, split-up, recapitalization, combination or exchange of shares, merger, consolidation, acquisition of property or stock, separation, reorganization, divisive reorganization or liquidation and the like, and, in the event of any such change in the outstanding Stock, the aggregate number and class of shares authorized to be issued under the Plan shall be appropriately adjusted by the Committee, whose determination of such adjustment shall be conclusive.

11. Tax Withholding. Any obligation of the Company to issue shares pursuant to the grant or exercise of any stock option shall be conditioned on the optionee having paid or made provision for payment of all applicable tax withholding obligations, if any, satisfactory to the Committee. The Company and its Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the optionee.

12. Amendment and Termination. The Board of Directors of the Company may make such modifications or amendments to the Plan as it shall deem advisable, or in order to conform to any change in any law or regulation applicable thereto. Without the consent of any person to whom any option shall theretofore have been granted, no termination, modification or amendment of the Plan shall adversely affect any rights which may previously have been granted under the Plan to such persons.

13. Term of Plan. The Plan shall take effect on October 5, 1989 and shall remain effective until termination by the Board of Directors of the Company or until all the shares of Stock authorized to be issued pursuant to the Plan have been issued.

14. Existing Options of the Company. The Committee, in its sole discretion, may grant stock options ("Substitute Options") under the Plan in substitution for options ("Prior Options") on the Company's common stock outstanding on the date of the effectiveness hereof as follows:

(a) notwithstanding the provisions of Paragraph 5 hereof, the Substitute Option shall have a purchase price equal to the purchase price of the Prior Option being substituted therefore; and

(b) the Substitute Option agreement shall be with respect to the same number of shares of Stock and contain the same terms and conditions as the Prior Option being substituted therefore to the extent consistent with the terms of the Plan.

Exhibit 21

<TABLE>
<CAPTION>

Subsidiaries of the Registrant

Subsidiary	State of Incorporation	Ownership
<S>	<C>	<C>
Magellan Petroleum Australia Limited	Queensland, Australia	52.0%

The following subsidiaries are owned directly or indirectly by Magellan Petroleum Australia Limited:

Magellan Petroleum (N.T.) Pty. Ltd.	Queensland, Australia	100%
Paroo Petroleum Pty. Ltd.	Queensland, Australia	100%
Paroo Petroleum (Holdings), Inc.	Delaware, U.S.A.	100%
Paroo Petroleum (USA), Inc.	Delaware, U.S.A.	100%
Magellan Petroleum (W.A.) Pty. Ltd.	Queensland, Australia	100%
Magellan Petroleum (Belize) Limited	Belize, C.A.	100%
Magellan Petroleum (Eastern) Pty. Ltd.	Queensland, Australia	100%
Magellan Petroleum (Southern) Pty. Ltd.	Queensland, Australia	100%
Magellan Petroleum (NZ)Limited	New Zealand	100%

</TABLE>

Exhibit 23.1

Consent of Ernst & Young LLP

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-38429) pertaining to the Stock Option Plan of Magellan Petroleum Corporation of our report dated September 18, 2002 with respect to the consolidated financial statements of Magellan Petroleum Corporation included in this Annual Report (Form 10-K) for the year ended June 30, 2002.

/s/ Ernst & Young LLP

Stamford, Connecticut
September 23, 2002

Exhibit 23.2

Consent of Independent Petroleum Engineers

The undersigned firm of Independent Petroleum Engineers, of Calgary, Alberta, Canada, knows that it is named as having prepared an evaluation of the interests of Magellan Petroleum Corporation, dated July 31, 2002, prepared for filings with the Securities and Exchange Commission on Form 10-K for the year ended June 30, 2002, and hereby gives its consent to the use of its name and to the use of the said estimates.

Paddock Lindstrom & Associates Ltd.

/s/ L. K. Lindstrom

L. K. Lindstrom, P. Eng.
President

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Magellan Petroleum Corporation (the "Company") on Form 10-K for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James R. Joyce President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

September 24, 2002 By: /s/ James R. Joyce

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