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

(Mark one)

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

For the quarterly period ended September 30, 2003

[ ] 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.)

P.O. Box 1146, Madison, Connecticut 06443-1146
....
(Address of principal executive offices) (Zip Code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. |X| Yes |_| No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). |_| Yes |X| No

The number of shares outstanding of the issuer's single class of common stock as of November 11, 2003 was 25,727,376.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

September 30, 2003

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PART I - FINANCIAL INFORMATION

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Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 2003 (unaudited)	June 30, 2003 (Note)
Current assets:		
Cash and cash equivalents	$18,568,581	$20,041,464
Accounts receivable	6,592,801	5,273,999
Marketable securities	2,020,315	1,796,503
Inventories	520,226	423,931
Other assets	258,681	297,118
Total current assets	27,960,604	27,833,015
Marketable securities	390,000	390,000
Property and equipment:		
Oil and gas properties (successful efforts method)	62,452,326	58,275,887
Land, buildings and equipment	2,183,683	2,093,555
Field equipment	1,444,470	1,421,636
	66,080,479	61,791,078
Less accumulated depletion, depreciation and amortization	(41,871,267)	(40,198,904)
Net property and equipment	24,209,212	21,592,174
Other assets	936,616	926,168
Total assets	$53,496,432	$50,741,357

LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 3,934,010	$ 4,709,281
Accrued liabilities	1,533,265	1,218,997
Income taxes payable	89,929	106,246
Total current liabilities	5,557,204	6,034,524
Long term liabilities:		
Deferred income taxes	1,795,298	1,770,727
Asset retirement obligations	4,604,127	3,858,263
Total long term liabilities	6,399,425	5,628,990
Minority interests	16,575,675	16,930,838
Commitments (Note 12)	-	-
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 shares		
Outstanding 25,727,376 and 24,427,376 shares	257,274	244,274
Capital in excess of par value	44,402,741	42,907,741
Total capital	44,660,015	43,152,015
Accumulated deficit	(14,531,197)	(15,598,483)
Accumulated other comprehensive loss	(5,164,690)	(5,406,527)
Total stockholders' equity	24,964,128	22,147,005
Total liabilities, minority interests and stockholders' equity	$53,496,432	$50,741,357

</TABLE>

Note: The balance sheet at June 30, 2003 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

<TABLE>
<CAPTION>

	Three months ended September 30, 2003	2002
Revenues:		
<S>	<C>	<C>
Oil sales	$ 1,093,102	$ 800,988
Gas sales	3,830,499	2,028,939
Other production related revenues	472,906	150,805
Interest income	335,412	206,576

Total Revenues	5,731,919	3,187,308
	----------	----------
Costs and expenses:		
Production costs	1,299,055	983,935
Exploration and dry hole costs	566,199	806,645
Salaries and employee benefits	562,955	410,514
Depletion, depreciation and amortization	1,077,959	873,926
Auditing, accounting and legal services	141,409	141,407
Accretion expense	81,873	73,685
Shareholder communications	32,765	30,579
Other administrative expenses	137,774	51,026
	-----------	-----------
Total costs and expenses	3,899,989	3,371,717
	----------	----------
Income (loss) before income taxes, minority interests and cumulative effect of accounting change	1,831,930	(184,409)
Income tax provision	(410,742)	(852)
	-----------	-----------
Income (loss) before minority interests and cumulative effect of accounting change	1,421,188	(185,261)
Minority interests	(353,902)	13,872
	----------	---------
Income (loss) before cumulative effect of accounting change	1,067,286	(171,389)
Cumulative effect of accounting change - net	-	(737,941)
	-----------	---------
Net income (loss)	$ 1,067,286	$ (909,330)
	===========	==========
Average number of shares:		
Basic	25,077,376	24,607,376
	==========	==========
Diluted	25,091,900	24,607,376
	==========	==========
Income (loss) per share (basic and diluted)		
Before cumulative effect of accounting change	$.04	$(.01)
Cumulative effect of accounting change	-	(.03)
	-----	-----
Net income (loss)	$.04	$(.04)
	====	======

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Three months ended September 30,	
	2003	2002
	----------------	----------------
Operating Activities:		
<S>	<C>	<C>
Net income (loss)	$ 1,067,286	$ (909,330)
Adjustments to reconcile net income (loss)		

to net cash provided by operating activities:		
Cumulative effect of accounting change	-	2,025,690
Depletion, depreciation and amortization	1,077,959	873,926
Accretion expense	81,873	73,685
Deferred income taxes	-	(601,635)
Minority interests	353,902	(693,914)
Increase (decrease) in cash from operating assets and liabilities:		
Accounts receivable	(1,401,333)	817,698
Other assets	12,662	(36,326)
Inventories	(104,064)	(39,153)
Accounts payable and accrued liabilities	(416,988)	402,002
Income taxes payable	(16,317)	(15,152)
Net cash provided by operating activities	654,980	1,897,491
Investing Activities:		
Marketable securities matured	997,528	-
Marketable securities purchased	(1,221,340)	-
Net additions to property and equipment	(2,123,928)	(646,764)
Net cash used in investing activities	(2,347,740)	(646,764)
Effect of exchange rate changes on cash and cash equivalents	219,877	(580,225)
Net increase (decrease) in cash and cash equivalents	(1,472,883)	670,502
Cash and cash equivalents at beginning of year	20,041,464	15,784,851
Cash and cash equivalents at end of period	$18,568,581	$16,455,353

See accompanying notes.

</TABLE>

MAGELLAN PETROLEUM CORPORATION
FORM 10-Q
PART I - FINANCIAL INFORMATION
September 30, 2003

Item 1. Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

Magellan Petroleum Corporation (the Company or MPC) is engaged in the sale of oil and gas and the exploration for and development of oil and gas reserves. At September 30, 2003, MPC's principal asset was a 55% 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. MPC has a direct 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory of Canada.

The accompanying unaudited consolidated financial statements include the accounts of MPC and MPAL and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three month period ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ending June 30, 2004. For further information, refer to the consolidated financial statements and footnotes thereto included in the

Company's Annual Report on Form 10-K for the year ended June 30, 2003. All amounts presented are in United States dollars, unless otherwise noted.

Note 2. Kotaneelee Litigation

During September 2003, the litigants in the Kotaneelee litigation entered into a settlement agreement. During October 2003, the Company received approximately $851,000, after Canadian withholding taxes and reimbursement of certain past legal costs. The plaintiffs agreed to terminate all litigation against the defendants related to the field, including the claim that the defendants failed to fully develop the field. Since each party agreed to bear its own legal costs, there were no taxable costs assessed against any of the parties. The components of the settlement payment which was recorded in September 2003 were as follows:

Gas sales	$1,135,000
Interest income	102,000
Canadian withholding taxes	(386,000)
Total	$ 851,000

Note 3. Capital and stock options

During December 2000, the Company announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. Through September 30, 2003, the Company had purchased 680,850 of its shares at a cost of approximately $686,000, all of which have been or will be cancelled.

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," as amended by SFAS 148 "Accounting for Stock-based Compensation - Transition and Disclosure" 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.

<TABLE>
<CAPTION>

Options outstanding	Expiration Dates	Number of shares	Exercise Prices ($)
<S>	<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	
Granted	Jan. 2008	50,000	.85

June 30, 2003 and September 30, 2003	921,000	($1.30 weighted average)

Summary of Options Outstanding at September 30, 2003

	Expiration Dates	Total	Vested	Exercise Prices ($)
Granted 1999	Oct. 2003	126,000	126,000	1.57
Granted 2000	Feb. 2005	745,000	745,000	1.28
Granted 2003	Feb. 2005	50,000	25,000	.85
Total		921,000	896,000	

Options reserved for future grants	205,000

</TABLE>

Item 1. Notes to Consolidated Financial Statements

On October 20, 2003, options to purchase 126,000 shares of the Company's common stock expired without being exercised.

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. The assumptions used in the 2003 valuation model were: risk free interest rate - 3.16%, expected life - 5 years, expected volatility - .439, expected dividend - 0. The stock option expense of the unvested options are being amortized over their 18 month vesting period. 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.

Pro forma information regarding net income and earnings per share is required by Statement 148, and has been determined as if the Company had accounted for its stock options under the fair value method of Statement 123. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model. 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:

<TABLE>
<CAPTION>

<S>	Three months ended September 30, 2003 <C>	<C>	Three months ended September 30, 2002 <C>	<C>
Net income (loss) as reported	$1,067,286	$.04	$(909,330)	$ (.04)
Stock option expense	(1,500)	-	(3,900)	-
Pro forma net income (loss)	$ 1,065,786	$.04	$(913,230)	$ (.04)

</TABLE>

On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, MPC's interest in MPAL increased to 55% from 52.44%. The value on July 10, 2003 of the Company's common stock issued to Origin Energy increased the amount of common stock by $13,000 and increased capital in excess of par value by $1,495,000 for a total of $1,508,000.

Note 4. Depletion, depreciation and amortization (DD&A)

The operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements to meet gas sales' contract requirements. The Mereenie Producers have agreed to install additional compression equipment in the field at a cost of $13.1 million (MPAL share $4.6 million) that will increase field deliverability and partially meet certain gas contract requirements. In addition, two gas wells will be drilled to meet the gas contractual requirements until June 2007.

Item 1. Notes to Consolidated Financial Statements

Note 5. Comprehensive income (loss)

Total comprehensive income (loss) during the three month period ended September 30, 2003 and 2002 were as follows:

<TABLE>
<CAPTION>

	Three months ended September 30, 2003	Three months ended September 30, 2002	Accumulated other comprehensive loss 2003
Balance at June 30, 2003			$(5,406,527)
Net income (loss)	$ 1,067,286	$ (909,330)	
Foreign currency translation adjustments	241,837	(647,712)	241,837
Reclassification adjustment unrealized gain on available -for-sale securities	-	6,160	-
Total comprehensive income (loss)	$1,309,123	$(1,550,882)	
Balance at September 30, 2003			$ (5,164,690)

</TABLE>

Note 6. Investment in MPAL

On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, MPC's interest in MPAL increased to 55% from 52.44%. The value on July 10, 2003 of the Company's common stock issued to Origin Energy increased the amount of common stock by $13,000 and increased capital in excess of par value by $1,495,000 for a total of $1,508,000. The difference of approximately $661,000 between the acquisition cost of the MPAL shares and the book value of the additional MPAL interest acquired was allocated to oil and gas properties.

Note 7. Earnings per share

Earnings per common share are based upon the weighted average number of common and common equivalent shares outstanding during the period. The Company's basic and diluted calculations of EPS are the same for the three month period ended September 30, 2002 because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive. The exercise price of outstanding stock options exceeded the average market price of the common stock during the 2002 period.

Note 8. Segment Information

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

Item 1. Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

	Three months ended September 30, 2003	Three months ended September 30, 2002
Revenues:		
MPC	$ 1,352	$ 110
MPAL	4,380	3,077
	$ 5,732	$ 3,187
Income (loss) before cumulative effect of accounting change:		
MPC	$ 635	$ (151)
Equity in earnings of MPAL	432	20
	$1,067	$ (171)
Net income (loss):		
MPC	$ 635	$ (151)
MPAL	432	(758)
	$1,067	$ (909)

</TABLE>

Note 9. Unrealized Gain on Securities Held for Investment

During 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 2000, the purchaser became a public company, Sefton Resources, Inc. Effective November 30, 2002, MPC sold all of its interest in Sefton Resources for $100,000 and recognized a gain of $6,666. Payment was in the form of a 10% promissory note (secured by the Sefton Resources shares) which is payable in installments as follows: $25,000 on March 31, 2003, $25,000 on June 30, 2003 and $50,000 on September 30, 2003. As of June 30, 2003, only the interest due on the March 31, 2003 installment had been paid. During September 2003, a payment of accumulated interest and a $5,000 principal payment were received. The Company is currently negotiating a new monthly payment schedule with the purchaser.

Note 10. Exploration and Dry Hole Costs

The 2003 and 2002 costs related primarily to the exploration work being performed on MPAL's properties. During September 2003, the Wawiri 1 well in the Taranaki Basin in the North Island, New Zealand was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $223,000.

Note 11. Asset Retirement Obligation

Effective July 1, 2002, the Company adopted the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations." 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 is 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. Accretion expense in connection with the discounted liability is recognized over the remaining life of the related reserves. The estimated liability is based on the future estimated cost of plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley and Mereenie fields in the Northern Territory of Australia. The liability is a discounted liability using a credit-adjusted risk-free rate of approximately 8%. Revisions to the liability could occur due to changes in the estimates of these costs.

Upon the adoption of SFAS 143, the Company recorded a discounted liability (Asset retirement obligation) of $3,794,000, increased oil and gas properties by $526,000 and recognized a one-time, cumulative effect after-tax charge of $738,000 (net of $316,000 deferred tax benefit and minority interest of $680,000) which was included in net loss for the three month period ended September 30, 2002.

A reconciliation of the Company's asset retirement obligation for the three months ended September 30, 2003, is as follows:

Balance July 1, 2003	$3,858,000
Liabilities incurred	618,000
Liabilities settled	-
Accretion expense	82,000
Revisions to estimate	-
Exchange effect	46,000
Balance at September 30, 2003	$4,604,000

During the quarter ended September 30, 2003, the Company recorded a liability in the amount of $511,000 for the Nockatunga project in the Eromanga Basin in Queensland and $107,000 for the Kotaneelee gas field in Canada. The Kotaneelee settlement agreement provides that the carried interest partners will share in the abandonment of the Kotaneelee field wells and facilities.

Note 12. Commitments

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2008 and its capital expenditure commitments for the year 2004. 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.

Item 1. Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

	Fiscal Year	Capital Expenditures	Exploration Required Expenditures	Exploration Contingent Expenditures	Total
<S>	<C>	<C>	<C>	<C>	<C>
	2004	$2,652,000	$2,693,000	$ 4,713,000	$ 10,058,000
	2005	-	859,000	18,431,000	19,290,000
	2006	-	253,000	5,327,000	5,580,000
	2007	-	-	855,000	855,000
	2008		-	1,081,000	1,081,000

Total	$2,652,000	$3,805,000	$30,407,000	$36,864,000
	==========	==========	===========	===========

</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 effort to find partners is unsuccessful, it may be unable or unwilling to complete the exploration program for some of its properties.

Note 13. Accounts and Notes Receivable

Accounts and notes receivable consist primarily of the amounts due from the sale of oil and gas ($3,758,000) and the amounts due from working interest partners ($1,579,000). In addition, the amount of $851,000 from the Kotaneelee settlement is also included in accounts receivable.

Item 2. 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. Among these risks and uncertainties are pricing and production levels from the properties in which the Company has interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits and there is the risk that any wells drilled may fail to encounter hydrocarbons in commercial quantities. The Company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

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

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. 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 developed 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. Because the Company follows the successful efforts method of accounting, the results of operations may vary materially from quarter to quarter. An active exploration program may result in greater exploration and dry hole costs.

Asset Retirement Obligation
- ---------------------------

Effective July 1, 2002, the Company adopted the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations." 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 is 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. Accretion expense in connection with the discounted liability is recognized over the remaining life of the related reserves.

The estimated liability was based on the future estimated cost of plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley and Mereenie fields in the Northern Territory of Australia. The liability is a discounted liability using a credit-adjusted risk-free rate of approximately 8%. Revisions to the liability could occur due to changes in the estimates of these costs. During the quarter ended September 30, 2003, the Company recorded a liability for the Nockatunga project using a credit-adjusted risk-free rate of 6.25% and for the Kotaneelee gas field using a credit-adjusted risk-free rate of 4.5%.

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.

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. Estimates are particularly sensitive in the calculation of proven reserves, depletion, depreciation and amortization and the amount of the Company's asset retirement obligations. Actual results could differ from those estimates.

Liquidity and Capital Resources
- -------------------------------

Consolidated
- ------------

At September 30, 2003, the Company on a consolidated basis had approximately $21 million in cash and cash equivalents and marketable securities.

A summary of the major changes in cash and cash equivalents during the three month period ended September 30, 2003 is as follows:

Cash and cash equivalents at beginning of period	$20,041,000
Net cash provided by operations	655,000
Marketable securities purchased (matured) net	(224,000)
Net additions to property and equipment	(2,123,000)
Effect of exchange rate changes	220,000

Cash and cash equivalents at end of period	$18,569,000
	===========

Net cash provided by operations
- -------------------------------

Net cash provided by operations decreased $1,242,000 from $1,897,000 during the 2002 period compared to $655,000 in the 2003 period. While cash funds derived from operations increased $1,817,000 during the 2003 period, the changes in operating assets and liabilities decreased $3,059,000 during the 2003 period.

Marketable securities purchased and sold
- --

During the 2003 period, investments with maturities of less than three months were reinvested for more than three months.

Net additions to property and equipment
- ---------------------------------------

The net additions to property and equipment of $2,123,000 are primarily the purchase of the Nockatunga project for approximately $1,400,000 and the upgrading of the Mereenie field.

Effect of exchange rate changes
- -------------------------------

The value of the Australian dollar relative to the U.S. dollar increased 1% to $.6813 at September 30, 2003 compared to a value of $.6737 at June 30, 2003.

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

At September 30, 2003, MPC, on an unconsolidated basis, had working capital of approximately $3.3 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. On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, the Company's interest in MPAL increased to 55% from 52.44%.

During November 2003, MPC received a dividend of approximately $911,000 from MPAL.

During December 2000, MPC announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. Through

September 30, 2003, MPC had purchased 680,850 of its shares at a cost of approximately $686,000, all of which have been or will be cancelled.

As to MPAL

At September 30, 2003, MPAL had working capital of approximately $19.1 million. MPAL has budgeted approximately $3.4 million for specific exploration projects in fiscal year 2004 as compared to the $4.5 million expended during fiscal 2003. However, the total amount to be expended may vary depending on when various projects reach the drilling phase. MPAL's future revenues are expected to be derived from the sale of gas in Australia, based on its current composition of oil and gas reserves. 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.

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

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2008 and its capital expenditure commitments for the year 2004. 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	Capital Expenditures	Exploration Required Expenditures	Exploration Contingent Expenditures	Total
2004	$2,652,000	$2,693,000	$ 4,713,000	$ 10,058,000
2005	-	859,000	18,431,000	19,290,000
2006	-	253,000	5,327,000	5,580,000
2007	-	-	855,000	855,000
2008		-	1,081,000	1,081,000
Total	$2,652,000	$3,805,000	$30,407,000	$36,864,000

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.

Results of Operations

New Accounting Standards

Effective July 1, 2000, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. In April 2003, the Financial Accounting Standards Board (FASB) issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which amends SFAS No. 133. This new statement incorporates interpretations that were included in previous Derivative Implementation Group (DIG) guidance, clarifies certain conditions, and amends other existing pronouncements. It is effective for contracts entered into or modified after June 30, 2003. Management has determined that the adoption of SFAS No. 149 did not have an impact on the Company's financial statements.

In January 2003, the FASB issued Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities," which was recently delayed and will be effective for the Company on December 31, 2003. FIN 46 requires that the party to a VIE that absorbs the majority of the VIE's losses, defined as the "primary beneficiary," consolidate the VIE The Company has determined that it is very unlikely that it will be required to consolidate or disclose information about a VIE upon the effective date of FIN 46.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards on how to classify and measure certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise effective for the Company for the first quarter of fiscal 2004. The adoption of SFAS No. 150 did not have an impact on the Company's financial statements.

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

Three months ended September 30, 2003 vs. September 30, 2002

Revenues

Oil sales increased 36% in the 2003 quarter to $1,093,000 from $801,000 in 2002 because of a 20% Australian foreign exchange rate increase discussed below and new oil sales from the Cooper Basin and the Nockatunga project. Oil unit sales are expected to continue to decline in the Mereenie field unless additional development wells are drilled to maintain production levels. MPAL is dependent on the operator (65% control) of the Mereenie field to maintain production. Oil unit sales (before deducting royalties) in barrels (bbls) and the average price per barrel sold during the periods indicated were as follows:

<TABLE>
<CAPTION>

	Three months ended September 30,			
	2003 Sales		2002 Sales	
	Bbls	Average price A.$ per bbl	Bbls	Average price A.$ per bbl
Australia:				
<S>	<C>	<C>	<C>	<C>
Mereenie field	32,916	40.67	36,632	44.35
Cooper Basin	2,881	34.57	-	-
Nockatunga project	8,038	36.72	-	-
Total	43,835	39.54	36,632	44.35

</TABLE>

Gas sales increased 89% to $3,830,000 in 2003 from $2,029,000 in 2002 because of the 20% Australian foreign exchange rate increase discussed below and the proceeds from the Canadian Kotaneelee gas field settlement.

	Three months ended September 30,	
	2003	2002
Australia	$2,596,000	$1,941,000
Canada-recurring	99,000	88,000
Canada-settlement	1,135,000	-
Total	$3,830,000	$2,029,000

During the 2003 period, the volume of gas sold in Australia increased 10%, but the average price of gas sold decreased 2%. The volumes in billion cubic feet (bcf) (before deducting royalties) and the average price of gas per thousand cubic feet (mcf) sold during the periods indicated were as follows:

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

	Three months ended September 30,			
	2003 Sales		2002 Sales	
		A.$ average price per mcf		A.$ average price per mcf
	bcf	mcf	bcf	mcf
Australia: Palm Valley	.741	2.17	.778	2.53
Australia: Mereenie	.966	2.79	.773	2.60
Total	1.707	2.52	1.551	2.57

Other production related revenues increased 213% to $473,000 in 2003 from $151,000 in 2002. Other production related revenues are primarily MPAL's share of gas pipeline tariff revenues which increased as a result of the higher volumes of gas sold and increased prices.

Interest and other income increased 62% to $335,000 in 2003 from $207,000 in 2002 primarily because of the $102,000 interest received from the funds held in escrow from the Kotaneelee settlement and because of the 20% Australian foreign exchange rate increase discussed below.

Costs and Expenses

Production costs increased 32% in 2003 to $1,299,000 from $984,000 in 2002 in part because of the 20% Australian foreign exchange rate increase discussed below. During 2003, production costs also increased because of the Nockatunga project ($167,000) and the Cooper Basin ($17,000).

Exploration and dry hole costs decreased 23% to $566,000 in 2003 from $807,000 in 2002. The 2003 and 2002 costs related primarily to the exploration work being performed on MPAL's properties. During September 2003, the Wawiri 1 well in the Taranaki Basin in the North Island, New Zealand was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $223,000.

Salaries and employee benefits increased 37% to $563,000 in 2003 from $411,000 in 2002. During the 2003 period, there was a 20% increase in the Australian foreign exchange rate as discussed below. In addition, there were also regular annual increases in salaries.

Depletion, depreciation and amortization increased 23% from $874,000 in 2002 to $1,078,000 in 2003. During the 2003 period, there was a 20% increase in the Australian foreign exchange rate as discussed below. In addition, $22,000 in DD&A was also recorded for the Nockatunga project and the Cooper Basin.

Auditing, accounting and legal expenses was unchanged at $141,000 for both periods.

Accretion expense increased 11% in the 2003 period from $74,000 in 2002 to $82,000 in 2003. Accretion expense represents the accretion on the Asset Retirement Obligations (ARO) under SFAS 143 that was adopted effective July 1, 2002. During the fourth quarter of fiscal year 2003, there was a revision of estimates that reduced the amount of ARO. The decrease in the 2003 period was offset by the 20% increase in the Australian foreign exchange rate as discussed below and the additions for the Nockatunga project and the Kotaneelee gas field.

Shareholder communications increased 6% from $31,000 in 2002 to $33,000 in 2003 primarily because of MPAL's increased costs required as a public company.

Other administrative expenses increased 171% from $51,000 in 2002 to $138,000 in 2003. During the 2003 period, there was a 20% increase in the Australian foreign exchange rate as discussed below. In addition, there were increases in consultants' fees, directors' fees, insurance, rent and travel expenses during the 2003 period.

Income Taxes

Income tax provision increased in 2003 to $411,000 from $1,000 in 2002. The components of the income tax (in thousands) between MPC and MPAL were as follows:

	2003	2002
Pretax consolidated income	$1,832	$ (184)
MPC's (income) loss not recognized	(1,045)	129
Permanent differences	(323)	(15)
Book taxable income	$ 464	$ (70)
Australian tax rate	30%	30%
Australian income tax benefit (provision)	$ (139)	$ 21
Tax benefit of MPAL losses	139	-
MPC income tax (provision)	(411)	(22)
Income tax (provision)	$ (411)	$ (1)
Current income tax (provision)	$ (411)	$(22)
Deferred income tax benefit	-	21
Income tax (provision)	$ (411)	$ (1)
Effective tax rate	22%	1%

MPC's 2003 and 2002 income tax provisions represent the 25% Canadian withholding tax on its Kotaneelee gas field carried interest net proceeds. The tax benefit of $139,000 in fiscal 2003 relates primarily to tax deductions taken in connection with financing exploration activities in Australia. As of June 30, 2003, MPAL had an operating loss of $5,550,000 from financing the exploration activities, the $1,665,000 benefit of which had not been taken into account because there was no assurance at the time that the loss benefit would be realized.

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

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.6813 at September 30, 2003 compared to a value of $.6737 at June 30, 2003. This resulted in a $242,000 credit to the foreign currency translation adjustments account for the three months ended September 30, 2003. The 1%

increase in the value of the Australian dollar increased the reported asset and liability amounts in the balance sheet at September 30, 2003 from the June 30, 2003 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.6588 for the quarter ended September 30, 2003, which is a 20% increase compared to the $.5472 rate for the quarter ended September 30, 2002.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have any significant exposure to market risk, other than as previously discussed regarding foreign currency risk and the risk of fluctuations in the world price of crude oil, as the only market risk sensitive instruments are its investments in marketable securities. For fiscal year 2003, oil sales represented approximately 25% of production revenues, therefore, an increase in the world price of crude oil would only have a modest positive impact on the Company's earnings, while a decrease in crude oil prices would have a similar negative impact on earnings. Gas sales, which represented approximately 75% of production revenues in fiscal 2003, are derived primarily from the Palm Valley and Mereenie fields in the Northern Territory of Australia and the gas prices are set according to long term contracts that are subject to changes in the Australian Consumer Price Index. At September 30, 2003, the carrying value of such investments including those classified as cash and cash equivalents was approximately $20.9 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 4. Disclosure Controls and Procedures

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including James R. Joyce, the Company's President, Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities and Exchange Act of 1934) as of September 30, 2003. Based on this evaluation, the Company's President concluded that the Company's disclosure controls and procedures were effective such that the material information required to be included in the Company's Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including its consolidated subsidiaries, and was made known to him by others within those entities, particularly during the period when this report was being prepared.

Internal Control Over Financial Reporting.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d- 15(f) under the Exchange Act) during the first fiscal quarter of the Company's fiscal year ending June 30, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

FORM 10-Q
PART II - OTHER INFORMATION
September 30, 2003

Item 1 Legal Proceedings
- ------ -----------------

During September 2003, the litigants in the Kotaneelee litigation entered into a settlement agreement. During October 2003, the Company received approximately $851,000, after Canadian withholding taxes and reimbursement of certain past legal costs. The plaintiffs agreed to terminate all litigation against the defendants related to the field, including the claim that the defendants failed to fully develop the field. Since each party agreed to bear its own legal costs, there were no taxable costs assessed against any of the parties.

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

During September 2003, the Wawiri 1 well in the Taranaki Basin in the North Island, New Zealand was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $150,000. During October 2003, the Bluff 1 well also in the Taranaki Basin in the North Island, New Zealand was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $150,000.

During October 2003, the Semaphore 1 well in PEL 110 of the Cooper Basin in South Australia was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $300,000.

On November 3, 2003, the Thungo 8 well in ATP267P (PL 51) reached total depth with good shows. The well will be cased and suspended as a future oil well. The Thungo 8 well was drilled in the Nockatunga project (MPAL interest 41%) in the Eromanga Basin in Queensland.

On November 6, 2003, the Callisto 1 well (MPAL share 39%) in ATP267P was spudded and on November 8, 2003, the Waitpinga 1 well (MPAL share 50%) in PEL 94 in the Cooper Basin was also spudded.

Palm Valley Petroleum Lease No. 3 which was due to expire on November 8, 2003, has been renewed for an additional 21 years.

Planning for the Palm Valley-11 well is in process but the well is not expected to be spudded before February 2004.

MAGELLAN PETROLEUM CORPORATION
Form 10-Q

PART II - OTHER INFORMATION

September 30, 2003

Item 6. Exhibits and Reports on Form 8-K
- ------- --------------------------------

(a) Exhibits
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31. Rule 13a-14(a) Certifications.

Certification of James R. Joyce, President, Chief Executive Officer and Chief Financial and Accounting Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 is filed herein.

32. Section 1350 Certifications.

Certification of James R. Joyce, President, Chief Executive Officer and Chief Financial and Accounting Officer, pursuant

to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is furnished herein.

(b) Reports on Form 8-K

On July 11, 2003, the Company filed a Current Report on Form 8-K to report an agreement to acquire 1.2 million shares of its majority held subsidiary, Magellan Petroleum Australia Limited.

On August 27, 2003, the Company filed a Current Report on Form 8-K to report the determination of the Audit Committee to dismiss Ernst & Young LLP as the Company's independent auditors.

On September 3, 2003, the Company filed Amendment No.1 to Current Report on Form 8-K to report the completion of the agreement to acquire 1.2 million shares of its majority held subsidiary, Magellan Petroleum Australia Limited.

On September 8, 2003, the Company filed a Current Report on Form 8-K to report the determination of the Audit Committee of Magellan Petroleum Australia Limited to dismiss Ernst & Young LLP as the Company's independent auditors.

On September 10, 2003, the Company filed a Current Report on Form 8-K to report that the litigants in the Kotaneelee litigation entered into a settlement agreement.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

September 30, 2003

SIGNATURES

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

MAGELLAN PETROLEUM CORPORATION

Registrant

Date: November 12, 2003 By /s/ James R. Joyce

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

Exhibit 31

Rule 13a-14(a) Certifications

I, James R. Joyce, certify that:

1. I have reviewed this quarterly report (report) on Form 10-Q of Magellan Petroleum Corporation;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Intentionally omitted pursuant to the guidance contained in SEC Release No. 33-8238.]

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 12, 2003 /s/ James R. Joyce

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

Exhibit 32

SECTION 1350 Certifications

In connection with the Quarterly Report of Magellan Petroleum Corporation (the "Company") on Form 10-Q for the period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James R. Joyce, President, Chief Executive Officer and Chief Financial Officer of the Company, does hereby 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.

November 12, 2003 By: /s/ James R. Joyce

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