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 December 31, 1998

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

For the transition period from ________________ to ____________________

Commission file number 1-5507

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

DELAWARE	06-0842255
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
149 Durham Road, Madison, Connecticut	06443
(Address of principal executive offices)	(Zip Code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of l934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
|X| Yes |_| No

The number of shares outstanding of the issuer's single class of common stock as of February 4, 1999 was 25,032,495.

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS
(unaudited)

<TABLE>
<CAPTION>

	December 31, 1998	June 30, 1998

ASSETS		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	$10,156,321	$12,436,297
Accounts receivable	1,130,297	567,175
Marketable securities	2,050,630	1,265,495
Reimbursable development costs	270,845	191,266
Inventories	172,621	218,359
Other assets	241,748	296,933
Total current assets	14,022,462	14,975,525
Marketable securities	735,000	1,201,890
Property and equipment:		
Oil and gas properties (successful efforts method)	40,018,892	39,196,101
Land, buildings and equipment	1,683,701	1,510,666
Field equipment	1,252,116	1,262,464
Total property and equipment	42,954,709	41,969,231
Less accumulated depletion, depreciation and amortization	(19,855,532)	(18,949,917)
Net property and equipment	23,099,177	23,019,314
Other assets	575,577	582,251
Total assets	$38,432,216	$39,778,980
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,206,231	$ 1,918,880
Accrued liabilities	713,816	806,150
Total current liabilities	1,920,047	2,725,030
Long term liabilities:		
Deferred income taxes	5,994,791	5,854,261
Reserve for future site restoration costs	712,723	657,288
Total long term liabilities	6,707,514	6,511,549
Minority interests	12,773,035	13,123,313
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 50,000,000 shares		
Outstanding 25,032,495 and 24,982,495 shares, respectively	250,325	249,825
Capital in excess of par value	43,572,363	43,532,238
Total capital	43,822,688	43,782,063
Accumulated deficit	(19,465,156)	(19,350,036)
Accumulated other comprehensive loss	(7,325,912)	(7,012,939)
Total stockholders' equity	17,031,620	17,419,088
Total liabilities, minority interests and stockholders' equity	$38,432,216	$39,778,980

</TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

<TABLE>
<CAPTION>

	Three months ended December 31, 1998	Three months ended December 31, 1997	Six months ended December 31, 1998	Six months ended December 31, 1997
Revenues:				
<S>	<C>	<C>	<C>	<C>
Oil sales	$ 666,132	$1,229,381	$1,356,302	$2,372,928
Gas sales	2,565,181	2,864,909	4,765,022	5,748,035
Other production related revenues	167,840	235,647	298,198	564,264
Interest income	170,728	167,355	350,539	363,877
	3,569,881	4,497,292	6,770,061	9,049,104
Costs and expenses:				
Production costs	1,025,342	871,305	2,101,235	1,805,214
Exploration and dry hole costs	315,704	181,260	1,374,130	1,784,306
Salaries and employee benefits	375,679	465,839	723,332	870,937
Depletion, depreciation and amortization	535,426	595,274	1,055,097	1,115,943
Auditing, accounting and legal services	171,534	98,216	352,407	278,026
Shareholder communications	107,413	112,085	141,377	131,700
Other administrative expenses	250,260	294,880	431,880	575,724
Bad debts	-	239,201	-	239,201
	2,781,358	2,858,060	6,179,458	6,801,051
Income before income taxes and minority interests	788,523	1,639,232	590,603	2,248,053
Income tax provision	372,386	520,420	319,551	771,709
Income before minority interests	416,137	1,118,812	271,052	1,476,344
Minority interests	357,955	652,504	386,172	940,173
Net income (loss)	$ 58,182	$ 466,308	$ (115,120)	$ 536,171
Average number of shares outstanding				
Basic	25,032,495	24,973,120	25,025,352	24,920,888
Diluted	25,128,482	25,257,495	25,121,339	25,257,495
Net income per share				
Basic and Diluted EPS	$ -	$.02	$ -	$.02

</TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

<TABLE>
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	Number of shares	Common stock	Capital in excess of par value	Accumulated Deficit	Accumulated Other Comprehensive loss	Total	Comprehensive income (loss)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
June 30, 1998	24,982,495	$249,825	$43,532,238	$(19,350,036)	$(7,012,939)	$17,419,088	$(26,362,975)	
Net income (loss)	-	-	-	(115,120)	-	(115,120)	(115,120)	
Currency translation adjustments	-	-	-	-	(312,973)	(312,973)	(312,973)	
Exercise of stock options	50,000	500	40,125	-	-	40,625	-	

Comprehensive income (loss)					(428,093)		

December 31, 1998	25,032,495	$250,325	$43,572,363	$(19,465,156)	$(7,325,912)	$17,031,620	$(26,791,068)
	==========	========	===========	=============	============	===========	=============

</TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

<TABLE>
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	Six months ended December 31, 1998	1997
Operating Activities:		
<S>	<C>	<C>
Net (loss) income	$ (115,120)	$ 536,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,055,097	1,115,943
Deferred income taxes	140,530	(262,893)
Minority interests	386,172	940,173
Increase (decrease) in operating assets and liabilities:		
Accounts receivable	(345,558)	(165,918)
Reimbursable development costs	(17,089)	(321,836)
Other assets	68,533	36,463
Inventories	98,111	145,677
Accounts payable and accrued liabilities	(196,865)	(441,718)
	-----------	-----------
Net cash provided by operating activities	1,073,811	1,582,062
	-----------	-----------
Investing Activities:		
Purchase of marketable securities (net)	(318,245)	1,334,868
Net additions to property and equipment	(2,288,146)	(2,015,219)
	-----------	-----------
Net cash used in investing activities	(2,606,391)	(680,351)
	-----------	-----------
Financing Activities:		
Dividends to MPAL minority shareholders	(686,567)	(1,506,103)
Exercise of stock options	40,625	123,375
	-----------	-----------
Net cash provided in financing activities	(645,942)	(1,382,728)
	-----------	-----------
Effect of exchange rate changes on cash and cash equivalents	(101,454)	(1,537,644)
	-----------	-----------
Net decrease in cash and cash equivalents	(2,279,976)	(2,018,661)
Cash and cash equivalents at beginning of year	12,436,297	12,942,862
	-----------	-----------
Cash and cash equivalents at end of period	$10,156,321	$10,924,201
	===========	===========

</TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

December 31, 1998

Item 1. Financial Statements - Notes

The information for the six month period ended December 31, 1998 and 1997, is unaudited but includes all adjustments which the Company considers necessary for a fair presentation of the results of operations for those periods. All adjustments are of a normal recurring nature. The consolidated financial statements include the Company's 50.7% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL").

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

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

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

As of July 1, 1998, the Company adopted Statement 130, Reporting Comprehensive Income. Statement 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this Statement had no impact on the Company's net income or shareholders' equity. Statement 130 requires unrealized gains or losses on the Company's available-for-sale securities and foreign currency translation adjustments to be included in other comprehensive income. Prior to the adoption of Statement 130, these items were reported separately in stockholders' equity. Prior year financial statements have been reclassified to conform to the requirements of Statement 130.

The Company has assessed its Year 2000 readiness and believes that it is presently compliant. The cost to implement this plan was approximately $120,000 and is not considered material and would have been incurred in the normal course of equipment replacement. The Year 2000 change should have no material impact on the Company's internal operations or financial results. However, the Company will be dependent on its suppliers, partners and customers to make their systems Year 2000 compliant.

PART I - FINANCIAL INFORMATION

MAGELLAN PETROLEUM CORPORATION

December 31, 1998

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

Total comprehensive loss during the three and six month periods ended December 31, 1998 and 1997 were as follows:

<TABLE>
<CAPTION>

	Three months ended December 31,		Six months ended December 31,	
	1998	1997	1998	1997

Net income (loss)	$ 58,182	$ 466,308	$(115,120)	$ 536,171
Currency translation adjustments	391,338	(3,348,320)	(312,973)	(2,450,830)
Total comprehensive income (loss)	$449,520	$(2,882,012)	$(428,093)	$(1,914,659)

</TABLE>

Liquidity and Capital Resources

Consolidated

At December 31, 1998, the Company on a consolidated basis had approximately $12,942,000 in cash and 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	$12,436,000
Cash provided by operations	1,074,000
Net additions to property and equipment	(2,288,000)
Purchase of marketable securities	(318,000)
Dividend to MPAL minority shareholders	(687,000)
Other	(61,000)
Cash and cash equivalents at end of period	$10,156,000

As to MPC

At December 31, 1998, Magellan Petroleum Corporation ("MPC"), on an unconsolidated basis, had working capital of approximately $4,020,000. MPC's annual operating budget is approximately $700,000 and its current cash position and annual MPAL dividend should be adequate to meet its current cash requirements. During fiscal 1999, MPC has budgeted approximately $300,000 for oil and gas exploration compared to the $111,000 expended during fiscal 1998. 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 company, Magellan Petroleum Australia Limited ("MPAL").

During November 1998, MPAL paid a dividend of A.$.05 per share. MPC's share of this dividend after withholding taxes was approximately $600,000, which was added to its working capital.

As to MPAL

At December 31, 1998, MPAL had working capital of approximately $8,818,000. MPAL has budgeted approximately $3.6 million for exploration in fiscal 1999 as compared to the $3.3 million expended during fiscal 1998. The current composition of MPAL's oil and gas reserves are such that the Company's future revenues in the long term are expected to be derived from the sale of gas in Australia.

Results of Operations

Three month period ended December 31, 1998 vs. December 31, 1997.

The Company had consolidated net income of $58,182 for the three month period ended December 31, 1998 compared to net income of $466,308 for the comparable 1997 period. The components of consolidated net income for the comparable periods were as follows:

Three month period ended
December 31,
1998 1997

MPC unconsolidated pretax loss	$(203,592)	$(203,604)
MPC income tax	(105,732)	-
Share of MPAL pretax income	502,587	933,547
Share of MPAL income tax (provision) credit	(135,081)	(263,635)
Consolidated net income	$ 58,182	$ 466,308
Net loss per share (basic & diluted)	$ -	$.02

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

Revenues

Oil sales decreased by 46% in the current quarter to $666,000 from $1,229,000 in 1997 because of a 35% decrease in oil prices, the 10% Australian foreign exchange rate decrease discussed below and a 12% decrease in the number of units sold. Oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. Current oil prices make additional drilling uneconomic at this time. 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:

	Three month period ended December 31, 1998 Sales		1997 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
Australia-Mereenie	61,518	A.$18.94	69,879	A.$29.00

Gas sales decreased 10% to $2,565,000 in 1998 from $2,865,000 in 1997 primarily because of the 10% Australian foreign exchange rate decrease discussed below. Total gas sales increased primarily because of the 1995 Mereenie gas contract. 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:

	Three month period ended December 31, 1998 Sales		1997 Sales	
	bcf	Average price per mcf (A.$)	bcf	Average price per mcf (A.$)
Australia:				
Palm Valley				
Alice Springs contract	.325	2.98	.312	2.93
Darwin contract	.593	2.02	.587	2.02
Mereenie:				
Darwin contract	.642	2.08	.583	2.03
Other	.340	2.72	.415	2.76
Total	1.900		1.897	

Other production related revenues decreased 29% to $168,000 in 1998 compared to $236,000 in 1997. The primary reason for this decrease was that MPAL's share of gas pipeline tariffs decreased to $136,000 in 1998 compared to $203,000 in 1997 because of a continuing dispute regarding the producers' share of the tariffs.

Interest increased 2% to $171,000 in 1998 from $167,000 in 1997. The increase in interest income from the additional funds available for investment was partially offset by the 10% Australian foreign exchange rate decrease as discussed below.

Costs and Expenses

Production costs increased 18% in 1998 to $1,025,000 from $871,000 in 1997. The increase relates to the costs at Mereenie where substantial remedial work was performed on certain wells.

Exploration and dry hole costs totaled $316,000 in 1998 compared to $181,000 in 1997. During the 1998 period, MPAL continued to evaluate various oil and gas prospects more aggressively than in the 1997 period.

Auditing, accounting and legal expenses increased 75% from $98,000 in 1997 to $171,000 in 1998. The increase in the 1998 period relates to the legal and tax advice sought in connection with an unsuccessful bid to acquire certain oil and gas properties in Australia.

Other administrative expenses decreased 15% from $295,000 in 1997 to $250,000 in 1998. Rent and travel expenses decreased and there was a 10% Australian foreign exchange rate decrease as discussed below.

Income Taxes

Income tax expense decreased from $520,000 in 1997 to $372,000 in 1998 because of MPAL's reduced income. In addition, there was no Australian withholding tax on MPC's 1997 dividend from MPAL. Generally, there is no Australian withholding tax on dividends in any year that a corporation tax pays income taxes. The components of tax income expense between MPC and MPAL were as follows:

	1998	1997
MPC	$106,000	$ -
MPAL	266,000	520,000
Consolidated tax (credit)	$372,000	$520,000

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 $.6123 at December 31, 1998 compared to a value of $.5933 at September 30, 1998. This resulted in a $391,000 credit to the foreign currency translation adjustments account for the three month period ended December 31, 1998. The average exchange rate used to translate MPAL's operations in Australia was $.6240 for the quarter ended December 31, 1998, which is a 10% decrease compared to the $.6922 rate for the quarter ended December 31, 1997.

Six month period ended December 31, 1998 vs. December 31, 1997.

The Company had a consolidated net loss of $115,120 for the six month period ended December 31, 1998 compared to net income of $536,171 for the comparable 1997 period. The components of consolidated net income for the comparable periods were as follows:

	Six month period ended December 31, 1998	1997
MPC unconsolidated pretax loss	$ (405,863)	$ (428,085)
MPC income tax	(105,732)	(1,000)
Share of MPAL pretax income	504,791	1,355,683

Share of MPAL income tax provision	(108,316)	(390,427)
	-----------	-----------
Consolidated net income (loss)	$ (115,120)	$ 536,171
	===========	==========
Net income (loss) per share (basic & diluted)	$(-)	$.02
	======	====

Revenues

Oil sales decreased by 43% in the current period to $1,356,000 from $2,373,000 in 1997 because of a 27% decrease in oil prices, an 11% decrease in the number of units sold and the 14% Australian foreign exchange decrease as discussed below. Oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. Current oil prices make additional drilling uneconomic at this time. MPAL is dependent on the operator (65% control) of the Mereenie field to maintain production. Oil unit sales in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

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

	Six month period ended December 31,			
	1998 Sales		1997 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
Australia-Mereenie	125,807	A.$19.91	140,730	A.$27.23

Gas sales decreased 17% to $4,765,000 in 1998 from $5,748,000 in 1997 primarily because of the 14% Australian foreign exchange decrease as discussed below and a small decrease in the volume of gas sold. Total gas volumes are expected to continue at least at current levels in the short term. The volumes in billion cubic feet ("bcf"), (before deducting royalties) and the average price of gas per thousand cubic feet ("mcf") sold during the periods indicated were as follows:

	Six month period ended December 31,			
	1998 Sales		1997 Sales	
	bcf	Average price per mcf (A.$)	bcf	Average price per mcf (A.$)
Australia:				
Palm Valley				
Alice Springs contract	.611	2.97	.592	2.94
Darwin contract	1.315	2.02	1.220	2.02
Mereenie:				
Darwin contact	1.168	2.04	1.037	1.99
Other	.585	2.70	.842	2.79
	----		----	
Total	3.679		3.691	
	=====		=====	

Other production related revenues decreased 47% to $298,000 in 1998 compared to $564,000 in 1997. The primary reason for this decrease was that MPAL's share of gas pipeline tariffs decreased to $235,000 in 1998 compared to $502,000 in 1997 because of a continuing dispute regarding the producers' share of the tariffs.

Interest decreased 4% in 1998. The decrease from $364,000 in 1997 to $351,000 in 1998 resulted from the combination of lower interest rates, and the 14% Australian foreign exchange decrease as discussed below which was partially offset by additional capital available for investment.

Costs and Expenses

Production costs increased 16% in 1998 to $2,101,000 from $1,805,000 in 1997. The increase relates to the costs at Mereenie where substantial remedial work was performed on certain wells.

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

Exploration and dry hole costs totaled $1,374,000 in 1998 compared to $1,784,000 in 1997. The costs in 1998 relate primarily to the cost of drilling the Schilling-1 well offshore Western Australia which was plugged and abandoned during the first quarter of the fiscal year.

Depreciation, depletion and amortization decreased 5% in 1998 to $1,055,000 from $1,116,000 in 1997. The decrease reflects the decrease in the number of units sold and the increase in gas reserves used to calculate depletion.

Auditing, accounting and legal services increased 27% in 1998 to $352,000 from $278,000 in 1997. The increase in the 1998 period relates to the legal and tax advice sought in connection with an unsuccessful bid to acquire certain oil and gas properties in Australia.

Other administrative expenses decreased 23% from $561,000 in 1997 to $432,000 in 1998. MPAL's rent, business taxes and travel expenses decreased during the 1998 period. Rent expense decreased in the 1998 period because MPAL renegotiated its Brisbane office lease. The 1997 period included a stamp duty on the consolidation of certain properties. During the 1998 period, there was a substantial decrease in MPAL's foreign operations which reduced the related travel expenses.

Income Taxes

Income tax expense decreased from $772,000 in 1997 to $320,000 in 1998. The effective income tax rate for 1998 was 54% compared to 34% in 1997. The statutory income tax rate in Australia is 36%. In addition, there was no Australian withholding tax on MPC's 1997 dividend from MPAL. Generally, there is no Australian withholding tax on dividends in any year that a corporation tax pays income taxes. The components of tax income expense between MPC and MPAL were as follows:

	1998	1997
MPC	$106,000	$ 1,000
MPAL	214,000	771,000
Consolidated	$320,000	$772,000

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

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to $.6123 at December 31, 1998 compared to a value of $.6194 at June 30, 1998. This resulted in a $313,000 charge to the foreign currency translation adjustments account for the six month period ended December 31, 1998. The 1% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance at December 31, 1998 from the June 30, 1997 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.6114 for the six month period ended December 31, 1998, which is a 14% decrease compared to the $.7138 rate for the period ended December 31, 1997.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have any significant exposure to market risk as the only market risk sensitive instruments are its investments in marketable securities. At December 31, 1998, the carrying value of such investments was approximately $12,820,000, which approximates the fair value of the securities. Since the Company expects to hold the investments to maturity, the maturity value should be realized. During the first half of fiscal 1999, the value of the Australian dollar relative to the U.S. dollar decreased 1% and reduced the reported asset amounts at December 31, 1998 from the June 30, 1998 amounts.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

December 31, 1998

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

(a) On December 2, 1998, the Company held its Annual General Meeting of Stockholders for the year ended June 30, 1998.

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

	Shares		Stockholders	
	For	Withheld	For	Withheld
Dennis D. Benbow	21,379,690	940,270	2,840	201
Benjamin W. Heath	21,359,849	960,111	2,825	216

(c) The firm of Ernst & Young LLP, was appointed as the Company's independent auditors for the year ending June 30, 1999. The vote was as follows:

	Shares	Stockholders
For	21,700,093	2,878
Against	381,221	76
Abstain	238,546	87

(d) The 1998 Stock Option Plan was approved. The vote was as follows:

	Shares	Stockholders
For	19,030,343	2,309
Against	2,546,025	575
Abstain	743,592	157

Item 5. Other Information.

During January 1999, MPAL was granted exploration blocks W98-2 and W98-3 in the Eastern Browse Basin offshore Western Australia. The following exploration program was submitted to obtain the blocks with the exploration expenditures in years 1-3 required by accepting the permits:

Year	W98-2	W98-3
1	A.$100,000	A.$180,000
2	200,000	500,000
3	200,000	200,000
Total Years 1-3	500,000	880,000
4	3,500,000	3,500,000
5	250,000	250,000
6	3,500,000	3,500,000
Total Years 4-6	7,250,000	7,250,000
Total All Years	A$7,750,000	A$8,130,000

PART II - OTHER INFORMATION

MAGELLAN PETROLEUM CORPORATION

December 31, 1998

During January 1999, MPAL surrendered its 17% interest in Block D of ATP 244P in Queensland, Australia. MPAL did not consider the project to have the requisite technical merit for further exploration expenditures.

Mallon Oil Company (2% interest) and Mountain States Corporation (4 1/2%) have notified the Belize Southern Offshore Block PSA participants that they will withdraw from the venture effective March 25, 1999.

During the quarter ended December 31, 1998, MPAL relinquished its 5% interest in WA-199-P which is located in the Bonaparte Basin in the Timor Sea offshore Western Australia.

The participants (MPC 18% interest) in the Tapia Canyon, California heavy oil recovery project have agreed to postpone any further development work until oil prices recover. Approximately $125,000 of the $600,000 pilot steam flood project will have been spent by March 31, 1999.

Plans to install the proposed LPG plant in the Mereenie oil and gas field in Australia have been suspended pending a reevaluation of the economics of the project.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

SIGNATURES

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

MAGELLAN PETROLEUM CORPORATION
Registrant

Date: February 4, 1999 By /s/ James R. Joyce
James R. Joyce, President and
Chief Financial and Accounting Officer

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<OTHER-SE>	16,781,295
<TOTAL-LIABILITY-AND-EQUITY>	38,432,216
<SALES>	6,121,324
<TOTAL-REVENUES>	6,770,061
<CGS>	0
<TOTAL-COSTS>	6,170,204
<OTHER-EXPENSES>	386,172
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	9,254
<INCOME-PRETAX>	204,431
<INCOME-TAX>	319,551
<INCOME-CONTINUING>	(115,120)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(115,120)
<EPS-PRIMARY>	0.00
<EPS-DILUTED>	0.00

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