

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

(Mark One)

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

For the fiscal year ended June 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from to

Commission file number 1-5507

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

DELAWARE 06-0842255
State or other jurisdiction of (I.R.S. Employer
incorporation or organization Identification No.)

149 Durham Road, Madison, Connecticut 06443
(Address of principal executive offices) (Zip Code)

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 Pacific Exchange, Inc.

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.

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.

The aggregate market value of the voting and non-voting common equity
held by non-affiliates of the registrant was \$45,074,000 at September 15, 1999
(based on the last sale price of such stock as quoted on the Pacific Stock
Exchange).

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, 25,108,226 shares outstanding as of September 15, 1999.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement related to the Annual Meeting of Stockholders for the fiscal year ended June 30, 1999, 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	6
Item 2. Properties	18
Item 3. Legal Proceedings	23
Item 4. Submission of Matters to a Vote of Security Holders	27

PART II

Item 5. Market for the Company's Common Stock and Related Stockholder Matters	28
Item 6. Selected Consolidated Financial Information	29
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	37
Item 8. Financial Statements and Supplementary Data	38
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	74

PART III

Item 10. Directors and Executive Officers of the Company	74
Item 11. Executive Compensation	74
Item 12. Security Ownership of Certain Beneficial Owners and Management	74
Item 13. Certain Relationships and Related Transactions	74

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	75
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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 15, 1999 was approximately A.\$1.00 equaled U.S.\$0.6491.

PART I

Item 1. Business

Magellan Petroleum Corporation (the "Company" or "MPC") is engaged, directly and 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, 1999, the Company's principal asset was a 50.9% 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 owns interests in various oil and gas properties in Australia, the United States and Belize, Central America. MPAL's major Australian 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 (50.8% working interest). Both fields are located in the Amadeus Basin in the Northern Territory of Australia ("Northern Territory"). Santos Ltd. ("Santos"), 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. Boral Limited, a publicly owned Australian company, owned a 17.1% interest in MPAL's outstanding stock at June 30, 1999.

The Company has a direct 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory of Canada. The Company has not received any revenues from this field to date. See Item 3 - Legal Proceedings. In addition, the Company has a 3% working interest in a Belize project (in which MPAL has a 20% working interest) and a 20% working interest in two wells in Texas.

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

The following is a tabular presentation of the omitted material:

MPC - MPAL RELATIONSHIPS CHART

MPC owns 50.9% of MPAL.
MPAL owns 50.8% of the Palm Valley Field, Australia.
MPAL owns 35% of the Mereenie Field, Australia.
BORAL 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 Participants) own the Mereenie field which is located in the Amadeus Basin of the Northern Territory. MPAL's share of production from the field is subject to net overriding royalties aggregating 3.0625% and the statutory government royalty of 10%. MPAL's share of the Mereenie field proved developed oil reserves was approximately 730,000 barrels at June 30, 1999.

The field was producing about 1,700 (MPAL share - 595) barrels of crude oil per day ("bpd") at June 30, 1999. During 1999, MPAL's share of oil sales was

236,000 barrels and 3.4 billion cubic feet ("bcf") of gas sold from 41 oil and gas wells. The oil is transported by means of a 167 mile eight-inch oil pipeline from the field to the Brewer Estate 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 Participants are also providing Mereenie gas in the Northern Territory to the Power and Water Authority ("PAWA") and Gasgo Pty. Ltd., a company it wholly owns, for use in Darwin and other Northern Territory centers. See "Gas Supply Contracts".

During 1999, the Mereenie Participants had been negotiating for the sale of Liquid Petroleum Gas from the field to a purchaser but the project was terminated after it was determined that it was uneconomic.

Palm Valley

MPAL has a 50.8% interest in and is the operator of the Palm Valley gas field which is located in the Northern Territory. Santos, the operator of the Mereenie field, owns a 48% interest in Palm Valley. Ten wells have been drilled in the field, five of which are currently connected to the gas treatment plant and are flowed at maximum deliverability levels to meet the Alice Springs and Darwin supply contracts with PAWA. See "Gas Supply Contracts". During fiscal 1999, MPAL's share of gas sales was 3.7 bcf. In order to increase deliverability, field compression began in November 1996 with two 400 HP compressors. A third 800 HP compressor was installed during fiscal 1999. MPAL has recommended that four additional wells be drilled at Palm Valley to improve the field's production capacity. Under the gas supply agreement with PAWA, the costs of these wells are reimbursed by PAWA and, consequently, the recommendation is under review by PAWA's consultants.

MPAL's share of Palm Valley production revenues is subject to a 10% statutory government royalty and net overriding royalties aggregating 4.2548%.

Gas Supply Contracts

In 1983, the Palm Valley Participants commenced the sale of gas to Alice Springs under a 1981 agreement. In 1985, the Palm Valley Participants and Mereenie Participants 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. The following is a summary of MPAL's interest in the Palm Valley and the Mereenie gas supply contracts:

<TABLE>

<CAPTION>

	Maximum contract (balance/after royalties) (bcf)	Percentage of contract completed	Contract Period
Palm Valley:			
<S>	<C>	<C>	<C>
Alice Springs (1981)	9.6	54	25 years (1983-2008)
Darwin (1985)	43.8	43	25 years (1987-2012)

	53.4		
Mereenie:			
Darwin (1985)	8.6	43	25 years (1987-2012)
Darwin (1995)	-	100	10 years (1995-2005)
Darwin (1997)	18.4	-	10 years (1999-2009)
Other	.7	-	Various

	27.7		
Total	81.1		

</TABLE>

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.

In consideration for the Palm Valley Participants forgoing 20% of the Amadeus Basin to Darwin gas supply contract during the first 20 contract years, Mereenie Participants made a payment to the Palm Valley Participants to partially compensate the Palm Valley Participants for the reduced net present value of the future gas sales revenues which were postponed from contract years 1 to 20 to contract years 21 to 26. The agreement also provides that when the Mereenie Participants sell any additional gas from the Mereenie field, the Palm Valley Participants are entitled, as additional consideration, to 35% of the revenues from the first 38 bcf (MPAL share - 19.5 bcf) of gas sold. At June 30, 1999, the balance of the Mereenie Participants gas subject to this entitlement was 9.7 bcf (MPAL share - 4.8 bcf).

Dingo Gas Field

MPAL has a 34.3% interest in the Dingo gas field which is held under Retention License 2 and 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. Dingo 2 and Dingo 3 wells are estimated to have the capacity of producing a combined rate of 5 million cubic feet ("mmcf") per day. MPAL's share of potential production from these permit areas is subject to a 10% statutory government royalty and overriding royalties aggregating 2.5043%.

Ngalia Basin

MPAL had a 40% interest in permit EP-15 in the Ngalia basin in the Northern Territory which expired during May 1999. During July 1998, the Newhaven well was plugged and abandoned. MPAL's share of the drilling costs incurred through June 30, 1998 were included in exploratory and dry hole costs for the 1998 fiscal year. The costs to drill the well subsequent to June 30, 1998 in the amount of \$316,000 are included in exploratory and dry hole costs for fiscal 1999.

Northern Surat Basin

During fiscal 1998, MPAL sold its 15.625% interest in ATP 378P Queensland, Australia to its partner, Santos. The \$636,000 difference between the carrying cost and the sale price was included in loss on the sale of assets for the 1998 fiscal year.

Surat Basin

During the 1998 fiscal year, MPAL earned a 17% interest in Block D of ATP 244P in Queensland by completing a pilot seismic reprocessing program. During the 1999 fiscal year, MPAL abandoned its interest in the permit.

During fiscal 1998, MPAL earned a 15% interest in ATP 626P in Queensland. During fiscal 1999, MPAL relinquished its interest in the permit.

Timor Sea

During April 1998, MPAL acquired a 5% interest in Exploration Permit WA-199-P in the Bonaparte Basin in the Timor Sea offshore Western Australia. MPAL earned its interest in the permit by funding 10% of the cost of drilling the Kittiwake-1 well which was a dry hole. MPAL's cost of the well was written off in the fourth quarter of fiscal 1998 and was included in exploratory and dry hole costs. MPAL relinquished its interest in the permit during the 1999 fiscal year.

Browse Basin

During the 1999 fiscal year, MPAL was granted a 17.5% interest in exploration permits WA-281-P, WA-282-P and WA-283-P in the Browse Basin offshore Western Australia. During the 1999 fiscal year, MPAL spent approximately \$67,000

toward the Year 1 work obligations. MPAL's share of the work obligations for the three permits is as follows:

	WA-281-P	WA-282-P	WA-283-P	Total
Year 1	\$ 368,000	\$ 286,000	\$ 286,000	\$ 940,000
Year 2	713,000	111,000	111,000	935,000
Year 3	1,320,000	23,000	1,203,000	2,546,000
Total Years 1-3	\$2,401,000	\$ 420,000	\$1,600,000	\$4,421,000
Year 4	187,000	23,000	187,000	397,000
Year 5	1,437,000	1,308,000	1,437,000	4,182,000
Year 6	35,000	23,000	35,000	93,000
Total Year 4-6	\$1,659,000	\$1,354,000	\$1,659,000	\$4,672,000
Total All Years	\$4,060,000	\$1,774,000	\$3,259,000	\$9,093,000

During January 1999, MPAL was granted exploration blocks WA-287-P and WA-288-P in the Eastern Browse Basin offshore Western Australia. During the 1999 fiscal year, MPAL spent approximately \$54,000 toward the Year 1 work obligations. The following exploration program was submitted to obtain the blocks with the exploration expenditures in Years 1-3 obligatory and Years 4-6 discretionary:

Year	WA-287-P	WA-288-P	Total
1	\$ 67,000	\$ 120,000	\$ 187,000
2	134,000	334,000	468,000
3	134,000	134,000	268,000
Total Years 1-3	335,000	588,000	923,000
4	2,336,000	2,336,000	4,672,000
5	167,000	167,000	334,000
6	2,336,000	2,336,000	4,672,000
Total Years 4-6	4,839,000	4,839,000	9,678,000
Total All Years	\$5,174,000	\$5,427,000	\$10,601,000

Carnarvon Basin

MPAL earned a 15% interest in exploration permits TP/12 and EP398 in the Carnarvon Basin offshore Western Australia by funding 30% of the cost of drilling the Springbok-1 well. The Springbok-1 well was plugged and abandoned during August 1998. MPAL's cost of drilling the well was written off during the first quarter of fiscal 1999.

During April 1999, MPAL was awarded permit WA-291-P, offshore Western Australia in the Carnarvon Basin. The minimum expenditure obligations for the first three year period totals \$347,000. The discretionary commitment for years 4-6 totals approximately \$4.8 million.

Maryborough Basin

MPAL holds a 98% interest in exploration permit ATP 613P, a 670,000 acre block, in the Maryborough Basin in Queensland, Australia. A third party has agreed to drill an exploration well in exchange for an approximate 50% interest in the permit. The well will be drilled during the 2000 fiscal year.

Cooper Basin

During April 1999, MPAL (50%) and its partner Beach Petroleum NL were successful in bidding for two exploration blocks in South Australia's Cooper Basin. The formal grant of the permit is pending. MPAL's share of the work obligations during the five year period of the permit are as follows:

Year	CO98I	CO98J	Total
1	\$ 534,000	\$ 668,000	\$1,202,000
2	334,000	401,000	735,000
3	234,000	300,000	534,000
Total Years 1-3	1,102,000	1,369,000	2,471,000
4	67,000	367,000	434,000
5	234,000	300,000	534,000
Total Years 4-5	301,000	667,000	968,000
Total All Years	\$1,403,000	\$2,036,000	\$3,439,000

UNITED STATES

Baca County, Colorado

MPC (10%) and MPAL (90%) participated in an exploration program in Colorado. During 1995, MPAL commenced a three well drilling program. All three wells were dry holes. During fiscal 1995 and 1996, the Company wrote off \$809,000 and \$1,691,000 in costs, respectively. During fiscal 1997, the Company drilled a fourth well which was a dry hole and all of the remaining costs of the project, which totaled \$3,008,000, were written off. During fiscal 1999, MPAL spent approximately \$16,000 on the project and it is allowing most of the leases to expire.

Tapia Canyon, California

Effective December 1, 1997, MPC acquired an 18% interest in a heavy oil recovery project in Tapia Canyon, California. Because the Company was dissatisfied with the program to develop the field reserves, the Company has sold its interest for its approximate cost of \$101,000 effective August 31, 1999.

Stephens County, Texas

During fiscal 1999, MPC participated (20%) in the drilling of the Puckett No. 1 well which is presently suspended. There are indications of oil and additional work will be performed during September 1999. During late June 1999, MPC also participated (21.4%) in the drilling of the Smith No. 1 well which also has indications of oil. MPC's capitalized costs at June 30, 1999 totaled \$71,000.

BELIZE

Southern Offshore Block PSA

During March 1998, MPC (3%), MPAL (20%) and the other joint venture participants entered into a new Production Sharing Agreement ("PSA") with the Government of Belize. The new Southern Offshore Block PSA ("SOB PSA") combines most of the blocks previously included in the Gladden PSA and the Block 13 PSA, and totals approximately 893,000 acres. The work obligations of the new PSA are as follows: Year 1 - \$100,000, Year 2 - \$300,000, Year 3 - \$3,000,000 and Year 4 - \$150,000. The participants in the PSA have been seeking partners in the venture. The first year obligations have been completed and the participants are negotiating with the Government of Belize to reduce the Year 2 obligations.

Gladden Basin PSA/Block 13 PSA

During 1997, the Gladden No. 1 well was plugged and abandoned and the Company's cost of the well was written off. During March 1998, this block was consolidated into the SOB PSA.

MPC and MPAL were also participants in a Production Sharing Agreement ("Block 13 PSA") offshore Belize adjoining the western and southern boundaries of the Gladden PSA. The Block 13 PSA covered approximately 788,000 acres. During March 1998, this block was consolidated into the SOB PSA.

CANADA

The Company 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. Anderson Oil & Gas, Inc., ("Anderson") is the operator of this partially developed field which is connected to a major pipeline system. Two wells are currently producing gas from the field approximately 60-65 mmcf/d.

Although production at the Kotaneelee field commenced in 1979, sustained production from the field did not begin until February 1991. Total production from the field, according to government reports, has been as follows:

Calendar Year	Production (bcf)
1979-1980	1.6
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 (6 mos.)	10.6
Total through June 30, 1999	133.8

In a 1989 application to the National Energy Board, a reserve study by the then operator estimated gas in place at 1.6 trillion cubic feet with proved and probable recoverable reserves of 781 bcf.

The operator has not permitted the Company access to detailed pricing and volume information, citing the litigation regarding the field. 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.

The Company is not entitled to any revenue from the field until the working interest owners recover their costs. The operator last reported to the Company unrecovered development costs totaling approximately Cdn.\$8,873,000 (Company share - U.S.\$159,000) at May 31, 1999. The amount of remaining recoverable costs is one of the issues being contested in the Kotaneelee litigation. The Company claims, and the defendants deny, that the defendants have made improper charges to the carried interest account and one defendant (Amoco Canada Oil and Gas) maintains that the carried interest account should be charged additional amounts for gas processing fees. Amoco claims that the remaining costs to be recovered at February 28, 1999 were Cdn.\$77,983,000.

Projections by the operator indicate that the carried interest account may reach payout status prior to December 1999. However, there can be no assurances that payout will occur within that time frame, inasmuch as there are uncertainties as to production levels, gas pricing, field operating expenses, additional capital expenditures and the impact of the Kotaneelee litigation.

For financial statement purposes in fiscal 1987 and 1988, the Company wrote down its Canada cost center which included 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. Although the field is now producing and payout may occur by December 1999, the Company has not yet classified its share of the Kotaneelee gas reserves as proved because the gas field is still the subject of litigation. The Company will reclassify the reserves at the Kotaneelee field as proved when there is greater assurance as to the timing and assumptions regarding the investment.

(b) Financial Information about Industry Segments.

Since the Company is engaged in only one industry, namely, oil and gas exploration, development, production and sale, this item is not

applicable to the Company.

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

The Company was incorporated in 1957 under the laws of Panama and was reorganized under the laws of Delaware in 1967. The Company is engaged in the exploration for, and the development and production and sale of oil and gas reserves in the United States, Canada, and Belize and, through its subsidiary MPAL, in Australia, the United States and Belize.

(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. The Company 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.

(iii) Raw Materials.

Not applicable.

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

In Australia, the Company has interests directly and indirectly through its subsidiaries in the following permits. Permittees are required to carry out agreed work and expenditure programs.

Permit	Expiration Date	Location
Retention License 2 (Dingo)	October 2003	Northern Territory
ATP 613P (Maryborough)	Renewal pending	Queensland
WA-291-P (Carnarvon Basin)	August 2005	Offshore Western Australia
WA-281-P (Browse Basin)	August 2004	Offshore Western Australia
WA-282-P (Browse Basin)	August 2004	Offshore Western Australia
WA-283-P (Browse Basin)	August 2004	Offshore Western Australia
TP12 & EP398 (Carnarvon Basin)	January 2002	Offshore Western Australia
WA-287-P (Browse Basin)	February 2005	Offshore Western Australia
WA-288-P (Browse Basin)	February 2005	Offshore Western Australia
CO98I (Cooper Basin)	Pending	South Australia
CO98J (Cooper Basin)	Pending	South Australia

In 1981, the Northern Territory issued Petroleum Leases No. 4 and No. 5 which cover the Mereenie oil and gas field to MPAL's subsidiaries. As part of the lease conditions, MPAL and its Mereenie partners agreed to construct an oil refinery near Alice Springs, if it were determined that such a refinery is economically feasible. MPAL believes that the oil refinery would not be economically viable under current market conditions, and the Northern Territory has not raised any current objection to this conclusion. In the event that a refinery becomes economically viable and the MJV does not construct the refinery, MPAL and its partners will be required to pay the Northern Territory liquidated damages based on the value of the crude oil produced from the lands under lease. The amount to be paid to the Territory is an amount per barrel which is the greater of (a) A.\$3.00 per barrel or (b) A.\$2.00 per barrel plus 10% of the amount by which the market price of Mereenie crude oil exceeds A.\$27.50. Production is subject to a statutory 10 percent royalty payable to the Northern Territory.

In 1982 the Northern Territory granted Petroleum Lease No. 3 for the Palm Valley gas field to a MPAL subsidiary. Production is subject to a statutory 10 percent royalty payable to the Northern Territory.

The above leases 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 consider that this issue will have a material adverse impact on MPAL's properties.

In Belize, Central America, the Company has interests directly and indirectly through a subsidiary in the following PSA which issued for eight years but work and expenditure obligations are calculated in two year blocks. Application is made ninety days prior to the two year block expiration.

PSA	Expiration Date
Southern Offshore Block	March 2002

(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 the Company'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 the Company'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 engineering and construction delays and difficulties. The Company also must compete with major companies which have

substantially greater resources than the Company.

Furthermore, competitive conditions may be substantially affected by various forms of energy legislation which have been or may be proposed in Australia, Canada, the United States and Belize; 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 Participants and the Mereenie Participants 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 unusual 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.

(xiii) Number of Persons Employed by Company.

At June 30, 1999, the Company had no full time employees in the United States and MPAL had 33 employees in Australia. The Company relies to a great extent on consultants for legal, accounting and administrative 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.

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

MPAL and its co-venturer in the Mereenie field have

been negotiating with PAWA and other parties to sell production out of the field's uncommitted gas reserves. A new gas supply contract for the uncommitted reserves in the Mereenie field could increase revenue from gas sales in the future.

Item 2. Properties.

(a) The Company has interests in properties in Australia, United States, Canada and Belize. In Australia, it has interests through its 50.9% equity interest in MPAL which holds interests in the Northern Territory, Queensland, South Australia and Western Australia. In Canada, the Company has a direct interest in one lease. The Company also has direct interests in properties in the United States and Belize and indirectly through MPAL's interests in these areas. 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:

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
 Wells drilled on the permit
 Pointed Mountain Gas Field
 Beaver River Gas Field
 Westcoast Transmission Pipeline

(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:

	1999	June 30, 1998	1997
Australia:			
Gas (per mcf)	A.\$ 2.32	A.\$ 2.32	A.\$ 2.30
Crude oil (per bbl)	A.\$20.20	A.\$24.55	A.\$27.71

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 1999, the cost of remedial work on various wells in the Mereenie field and lower production increased production costs.

	1999	June 30, 1998	1997
Australia:			
Gas (per mcf)	A.\$.33	A.\$.26	A.\$.28
Crude oil (per bbl)	A.\$19.35	A.\$12.28	A.\$8.20

(4) Productive Wells and Acreage.

Productive wells and acreage at June 30, 1999:

	Productive Wells		Developed Acreage			
	Oil	Gas	Gross	Net	Gross Acres	Net Acres
	---	---	-----	-----	-----	-----
	Gross	Net	Gross	Net	Gross Acres	Net Acres
	----	----	-----	-----	-----	-----
Australia	40.0	14.0	27.0	10.5	72,025	30,001
Americas	2.0	.4	2.0	.1	3,350	89
	----	----	-----	-----	-----	-----
	42.0	14.4	29.0	10.6	75,375	30,090
	=====	=====	=====	=====	=====	=====

(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, 1999

(i) MPAL has interests in the following properties (before royalties).
The Company has an interest in these properties through its 50.9% interest in MPAL.

<TABLE>

<CAPTION>

Properties held by MPAL:

	MPAL			The Company		
	Net Gross Acres	Interest Acres	%	Net Gross Acres	Interest Acres	%
Australia						
Northern Territory:						
Amadeus Basin:						
<S>	<C>	<C>	<C>	<C>	<C>	
Mereenie (OL4&5)(1)	69,407	24,292	35.00	12,364	17.81	
Palm Valley (OL3)(2)	151,905	77,130	50.78	39,259	25.84	
Dingo (RL2)	115,596	39,696	34.34	20,205	17.48	
Total Amadeus Basin	336,908	141,023		71,828		
Queensland:						
Maryborough Basin (ATP 613P)	344,318	337,432	98.00	171,753	49.88	
South Australia:						
Cooper Basin (CO98I&J)	1,621,802	810,902	50.00	412,750	25.45	
Western Australia:						
Browse WA-281-P	1,147,315	200,780	17.50	102,197	8.91	
Browse WA-282-P	1,468,662	257,016	17.50	130,821	8.91	
Browse WA-283-P	1,060,618	185,608	17.50	94,474	8.91	
Carnarvon TP12 & EP398	146,224	21,934	15.00	11,164	7.64	
Carnarvon WA-291-P	2,205,710	2,205,710	100.00	1,122,706	50.90	
Browse WA-287-P	515,736	515,736	100.00	262,510	50.90	
Browse WA-288-P	513,266	513,266	100.00	261,252	50.90	
Total Western Australia	7,057,531	3,900,050		1,985,124		
Total Australia	9,360,559	5,189,502		2,641,455		
Belize, C.A.						
Southern Offshore Block	892,543	178,509	20.00	90,861	10.18	
Total MPAL	10,253,102	5,368,011		2,732,316		
Properties held directly by MPC:						
United States						
Texas	160			32	20.00	
Belize, C.A.						
Southern Offshore Block(3)	-			26,776	3.00	
Canada						
Yukon and Northwest Territories:						
Carried interest(4)	35,076			935	2.67	
Total	10,288,338			2,760,059		

</TABLE>

- (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) Gross acres shown above.
(4) Includes 3,350 gross developed acres and 89 net acres.

(6) Drilling activity.

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

Year ended June 30,	Australia			
	Exploration		Development	
	Productive	Dry	Productive	Dry
1999	-	.15	.70	-
1998	-	.55	.70	.35
1997	-	-	-	-

Year ended June 30,	Americas			
	Exploration		Development	
	Productive	Dry	Productive	Dry
1999	.20	.19	-	-
1998	-	-	-	-
1997	-	1.23	-	-

(7) Present Activities.

There are no wells being drilled at the present time.

(8) Delivery Commitments.

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

Item 3. Legal Proceedings.

Kotaneelee Gas Field

The Company'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 the Company (the "Plaintiffs") believe that the working interest owners in the Kotaneelee gas field have not adequately pursued the attainment of contracts for the sale of Kotaneelee gas; accordingly, legal action in the United States was commenced by Canada Southern in 1987 against AlliedSignal Inc. and Allied Corporation (collectively, Allied Signal). This suit was ultimately dismissed in December 1988.

In October 1989 and in 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. 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. ("Columbia"), Mobil Oil Canada Ltd. ("Mobil") and Esso Resource of Canada Ltd. ("Esso") (collectively the "Defendants").

The Plaintiffs claim that the Defendants breached either a contract obligation or a fiduciary duty owed to the Plaintiffs to market gas from the Kotaneelee gas field when it was possible to so do. The Plaintiffs assert that marketing the Kotaneelee gas was possible in 1984 and that the Defendants deliberately failed to do so. The Company seeks 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 (Company share-U.S.\$5.8 million).

In addition, the Plaintiffs have 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 Plaintiffs claim that when the Defendants in 1980 suspended production from the field's gas wells, they failed to take precautionary measures necessary to

protect and maintain the wells in good operating condition. The wells thereafter deteriorated, which caused unnecessary expenditures to be incurred, including expenditures to redrill one well. In addition, the Plaintiffs claim that expenditures made to repair and rebuild the field's dehydration plant would not have been necessary had the facilities been properly constructed and maintained by the Defendants. The expenditures, 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.

The Plaintiffs claim that production from the field should have commenced in 1984. At that time the field's carried interest account was approximately Cdn.\$63 million. The Company claims that by 1993 at least Cdn.\$34 million of unnecessary expenses had been wrongfully charged to the carried interest account. The Company's 2.6% share of these expenses would be approximately Cdn.\$9 million. The Plaintiffs further claim that, if production had commenced in 1984, the carried interest account would have been paid off in approximately two years and the Company would have begun to receive revenues from the field in 1986. Projections by the operator indicate that the carried interest account may reach payout status prior to the end of 1999. However, there can be no assurances that payout will occur within that timeframe, inasmuch as there are uncertainties as to production levels, gas pricing, field operating expenses, additional capital expenditures and the impact of the Kotaneelee litigation.

Columbia has filed a counterclaim against the Plaintiffs seeking, if the Plaintiffs are successful in its claim for the forfeiture of the field, repayment from the Plaintiffs of all sums Columbia has expended on the Kotaneelee lands before the Plaintiffs are entitled to their interest.

The parties to the litigation have conducted extensive discovery since the filing of the claims. The trial, which started on September 3, 1996, is still in progress. The trial was adjourned during the period December 1996-April 1997, July-August 1997, and July-August 1998. The trial resumed on September 8, 1998 and the Plaintiffs' case was completed on September 16, 1998. The Defendants began their case on September 16, 1998 and the trial was adjourned for the July-August 1999 period and resumed on September 7, 1999.

Matters Ancillary to Kotaneelee Litigation

In its 1989 statement of claim, the Plaintiffs sought a declaratory judgment regarding two issues:

- (1) whether interest accrued on the carried interest account; and
- (2) whether expenditures for gathering lines and dehydration equipment are expenditures chargeable to the carried interest account or whether the Plaintiff will be assessed a processing fee on gas throughput.

With respect to the first issue, the Plaintiffs maintain that no interest should accrue on the account and the Defendants have not contested this position. With regard to the second issue, the Plaintiffs maintain that the expenditures are chargeable to the carried interest account. Mobil, Esso and Columbia have essentially agreed to the Company's position while the Amoco Dome Group continues to contest this issue and claims that the remaining costs to be recovered at February 28, 1999 were Cdn.\$78 million (U.S.\$52 million) as compared to the other party's amount of Cdn.\$13.5 million (U.S.\$9 million) at such date.

On January 22, 1996, the Plaintiffs settled two claims outstanding against the Company in the Court of Queens Bench, Calgary, Alberta, which related to a suit brought against AlliedSignal in Florida which was dismissed on the basis that Canada was the appropriate forum for the litigation. AlliedSignal had sought additional relief against the Company in Canada to preclude other types of suits by the Company and to recover the costs of the defense of the initial action. The settlement bars AlliedSignal from making a claim against the Plaintiffs for any costs in connection with the Kotaneelee Litigation. The Plaintiffs agreed not to bring any action against AlliedSignal in connection with the Kotaneelee gas field. Neither party made any monetary payment to the

other party.

In 1991, Anderson Exploration Ltd. acquired Columbia and changed its name to Anderson Oil & Gas Inc. ("Anderson"). Anderson is now the sole operator of the field and is a direct defendant in the Canada Court lawsuits. Columbia's previous parent, The Columbia Gas System, Inc., which was reorganized in a bankruptcy proceeding in the United States, is contractually liable to Anderson in the legal proceeding described above.

The working interest owners have reported that they have been selling Kotaneelee gas since February 1991. The Company is uncertain as to what impact, if any, these sales may have on the status of the litigation.

Under Canadian law, certain costs (known as "taxable costs") of the litigation may be assessed against the non-prevailing party. Previously, the Company had reported that while such costs were not determinable, Canada Southern had estimated that taxable costs, assuming a twelve month trial, could be approximately Cdn.\$1.5 million and noted that the judge in complex and lengthy trials has the discretion to increase an award. MPC has not agreed to share any costs that might be assessed against Canada Southern, however, MPC's potential share would not have exceeded U.S.\$80,000.

Effective September 1, 1998, the Alberta Rules of Court were amended to provide for a material increase in the costs which may be awarded to the prevailing party in matter before the Court. In addition, the trial has extended well beyond its original time estimates and, therefore, potential assessable costs would increase accordingly.

The trial has been lengthy, complicated and costly to all parties and the Company believes that the prevailing party or parties in the litigation will argue for a substantial assessment of costs against the non-prevailing party or 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, the Company is unable to determine whether, in the event that Canada Southern does not prevail on its claims in the litigation, costs will be assessed against it 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, if such costs were to be directly assessed against the Company.

There is no assurance whatever that Canada Southern and the Company will be successful on the merits of their claims, which have been vigorously defended by the Defendants. There is also no assurance that Canada Southern or the Company will be awarded any damages, or that, if damages are awarded, the Court will apply the measure of damages that Canada Southern and the Company claim should be applied.

Canada Southern has been advancing and paying all the legal and other expenses of the Kotaneelee litigation. The Company has not received an accounting of the amounts spent to date and understands that Canada Southern expects to recover its costs only from any judgment in favor of the Plaintiffs. The Company believes that the outcome of the Kotaneelee litigation is not reasonably likely to have a material adverse effect on the Company'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> James R. Joyce	<C> 58	<C> President and Chief Financial Officer	<C> July 1, 1993	<C> President since	Director
Dennis D. Benbow*	60	General Manager - MPAL		Since 1993	Director

* Effective August 13, 1999, Mr. Benbow retired as an officer and director of MPAL, and as a director of MPC.

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

The Company 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 markets for the Company's common stock is the Pacific Exchange, Inc. [MPC] and the NASDAQ SmallCap market [MPET]. The stock is also traded on the Boston Stock Exchange. The quarterly high and low prices on the most active market, NASDAQ, during the calendar quarterly periods indicated were as follows:

1999	1st quarter	2nd quarter	3rd quarter*	
High.....	1.81	2.50	2.81	
Low.....	1.27	1.19	1.63	
1998	1st quarter	2nd quarter	3rd quarter	4th quarter
High.....	3.16	3.00	2.44	2.00
Low.....	2.50	2.19	1.13	1.13
1997	1st quarter	2nd quarter	3rd quarter	4th quarter
High.....	4.13	2.81	4.00	3.81
Low.....	2.38	2.09	2.25	2.50

* Through September 15, 1999, on which date the closing price was \$1.81.

(b) Approximate Number of Holders of Common Stock at September 15, 1999

Title of Class	Number of Record Holders
Common stock, par value \$.01 per share	9,100

(c) Frequency and Amount of Dividends

The Company has never paid a cash dividend on its common stock. The Company will consider the payment of dividends when it has the ability to make

such payments.

(d) Recent Sales of Unregistered Securities

None.

Item 6. Selected Consolidated Financial Information.

The following table sets forth selected data (in thousands) of the Company insofar as it relates to each of the five fiscal years in the period ended June 30, 1999. This data should be read in conjunction with Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8 - Financial Statements and Supplementary Data.

<TABLE>

<CAPTION>

	Year ended June 30,				
	1999	1998	1997	1996	1995
	----	----	----	----	----
Financial Data	\$	\$	\$	\$	\$
<S>	<C>	<C>	<C>	<C>	<C>
Operating revenues	13,398	15,235	19,936	17,027	14,154
Total revenues	14,115	15,340	20,758	18,073	15,424
Net income	945	1,037	694	1,411	684
Net income per share (Basic and Diluted)	.04	.04	.03	.06	.03
Working capital	12,772	13,452	14,219	9,858	8,806
Cash provided by operating activities	4,993	6,737	11,181	9,185	8,587
Property and equipment (net)	26,725	23,019	28,623	32,912	37,361
Total assets	44,234	39,779	46,230	47,816	39,575
Long-term liabilities	6,910	6,512	7,738	6,981	6,312
Minority interests	15,318	13,123	16,147	16,682	14,366
Stockholders' equity:					
Capital	43,838	43,782	43,659	43,492	43,358
Accumulated deficit	(18,405)	(19,350)	(20,387)	(21,080)	(22,491)
Accumulated other comprehensive loss	(5,699)	(7,013)	(3,729)	(2,785)	(4,833)
Total stockholders' equity	19,734	17,419	19,543	19,627	16,034
Exchange rate A.\$=U.S. at end of period	.6675	.6194	.7538	.7875	.7097
Common stock outstanding shares	25,108	24,982	24,851	24,691	24,544
Book value per share	.79	.70	.78	.79	.65

Quoted market value per share	2.50	2.28	2.38	2.50	1.94
Operating Data					
Annual production (Net of royalties)					
Gas (BCF)	5.898	5.844	5.673	5.422	5.066
Oil (BBLs) (In thousands) (net of royalties)	205	248	307	318	369
Standard measure of discounted future cash flow relating to proved oil and gas reserves. (approximately 49% attributable to minority interests)	53,000	48,000	68,000	44,000	38,000

</TABLE>

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

(1) Liquidity and Capital Resources - June 30, 1999

Consolidated

At June 30, 1999, the Company on a consolidated basis had approximately \$15.5 million of 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	4,993,000
Dividends to MPAL minority shareholders	(687,000)
Additions to property and equipment	(4,679,000)
Effect of exchange rate changes	897,000
Other	421,000

Cash and cash equivalents at end of period	\$13,381,000

As to the Company (unconsolidated)

At June 30, 1999, Magellan Petroleum Corporation ("MPC"), on an unconsolidated basis, had working capital of approximately \$3.6 million. 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 the fiscal year 2000, MPC has budgeted approximately \$200,000 for oil and gas exploration compared to the \$92,000 expended during 1999. 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, MPAL. During fiscal 1999, MPC purchased 113,000 shares of MPAL at a cost of approximately \$112,000.

During December 1998, MPC received a dividend from MPAL of \$599,000 (after the \$106,000 Australian withholding tax) which was added to MPC's working capital.

As to MPAL

At June 30, 1999, MPAL had working capital of approximately \$11 million. MPAL has budgeted approximately \$2.5 million for specific exploration projects in the fiscal year 2000 and allocated \$1.3 million for potential new projects as compared to the \$2 million expended during fiscal 1999. 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.

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ended June 30, 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 the Company's financial position.

Fiscal Year	Expenditures Required	Contingent Expenditures	Total
2000	\$2,557,000	\$ 214,000	\$ 2,771,000
2001	4,495,000	521,000	5,016,000
2002	1,035,000	1,025,000	2,060,000
2003	584,000	14,003,000	14,587,000
2004	-	1,705,000	1,705,000
	<u>\$8,671,000</u>	<u>\$17,468,000</u>	<u>\$26,139,000</u>

MPAL expects to fund its exploration costs through its cash flow from Australian operations and any balance from its A.\$10 million bank line of credit.

The Company has assessed that its Year 2000 readiness is compliant at June 30, 1999. The Year 2000 change had no material impact on the Company's internal operations or financial results. The Company will be dependent on its suppliers, partners and customers to make their systems year 2000 compliant, but this reliance should not have a material effect on the Company's financial results.

(2) Results of Operations

1999 vs. 1998

The Company had consolidated net income of \$945,212 for fiscal 1999 compared to net income of \$1,036,513 for fiscal 1998. The components of consolidated net income for the comparable periods were as follows:

	Year ended June 30,	
	1999	1998
MPC unconsolidated pretax loss	\$ (688,814)	\$ (688,596)
MPC income tax expense	(105,370)	(1,000)
Share of MPAL pretax income	1,659,185	1,798,595
Share of MPAL income (tax) benefit	80,211	(72,486)
Consolidated net income	<u>\$ 945,212</u>	<u>\$1,036,513</u>
Net income per share (basic & diluted)	<u>\$.04</u>	<u>\$.04</u>

Revenues

Oil sales decreased 37% in fiscal 1999. Oil sales in Australia decreased in 1999 to \$2,573,000 from \$4,098,000 in 1998 because of an 18% decrease in oil prices, the 8% Australian foreign exchange rate decrease discussed below and a 17% decrease in the number of units produced. Because of low oil prices, it has not been economic to drill additional wells to increase production. Oil unit sales (before deducting royalties) in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

Fiscal 1999 Sales		Fiscal 1998 Sales	
Average Price		Average Price	
bbls	per bbl	bbls	per bbl
-----	-----	-----	-----

Australia - Mereenie 235,806 A.\$20.20 284,757 A.\$24.55

Gas sales in Australia decreased 8% in fiscal 1999. Gas sales decreased from \$10,485,000 in 1998 to \$9,640,000 in 1999 because of the 8% Australian foreign exchange rate decrease discussed below. The volumes in billion cubic feet ("bcf") (before deducting royalties) and the average price of gas per thousand cubic feet ("mcf") sold during the periods indicated were as follows:

	Fiscal 1999 Sales		Fiscal 1998 Sales	
	bcf	Average Price per mcf	bcf	Average Price per mcf
Australia:		(A.\$)		(A.\$)
Palm Valley				
Alice Springs contract	1,232	2.95	1,147	2.96
Darwin contract	2,507	2.02	2,395	2.02
Mereenie				
Darwin contract	2,289	2.08	2,171	2.02
Other	1,138	2.77	1,416	2.74
Total	7,166		7,129	

Other production income increased 82% to \$1,185,000 in 1999 compared to \$652,000 in 1998. The primary reason for this increase was that MPAL's share of gas pipeline tariffs increased to \$1,061,000 in 1999 compared to \$531,000 in 1998. In the 4th quarter of fiscal 1999 the amount increased because of an anticipated resolution of a dispute regarding the producers' share of the tariffs.

Interest income decreased 3% to \$717,000 in 1999 from \$741,000 in 1998. Although additional funds were available for investment, substantially lower interest rates and the 8% Australian foreign exchange rate decrease discussed below offset the increase.

Costs and Expenses

Production costs increased 20% to \$4,372,000 in 1999 from \$3,647,000 in 1998. The increase relates to the costs at Mereenie where substantial remedial work was performed on 8 wells and the costs associated with the proposed LPG plant. During the 4th quarter of fiscal year 1999, the loss attributable to the LPG plant was reduced by \$300,000 to \$190,000.

Salaries and employee benefits decreased 10% from \$1,435,000 in 1998 to \$1,297,000 in 1999. Compensation costs decreased in Australia together with the 8% Australian foreign exchange rate decrease discussed below.

Depreciation, depletion and amortization increased 7% in 1999 to \$2,357,000 from \$2,205,000 in 1998. The increase was the result of the additional costs from the Mereenie Central Treatment Plant upgrade added to the depletion calculation which was partially offset by the 8% Australian foreign exchange rate decrease discussed below.

Exploratory and dry hole costs totaled \$2,059,000 during 1999 compared to \$3,346,000 in 1998. The costs in 1999 related primarily to the Springbok-1 well offshore Western Australia which was plugged and abandoned during the first quarter and the Belize project which was written off in the third quarter of the fiscal year. In 1998, the Schilling-1 well and the Kittiwake-1 well which were drilled offshore Western Australia were also abandoned. The costs (in thousands) in fiscal 1999 and fiscal 1998 for MPC and MPAL were as follows:

1999

1998

Location	MPAL	MPC	Total	MPAL	MPC	Total
United States/Belize	\$ 361	\$50	\$ 411	\$ 118	\$32	\$ 150
Australia	1,648	-	1,648	3,196	-	3,196
	<u>\$2,009</u>	<u>\$50</u>	<u>\$2,059</u>	<u>\$3,314</u>	<u>\$32</u>	<u>\$3,346</u>

Auditing, accounting and legal expenses increased 6% from \$480,000 in 1998 to \$510,000 in 1999. The increase in the 1999 period relates to the legal and tax advice sought in connection with an unsuccessful bid to acquire certain oil and gas properties in Australia.

Shareholder communications increased 9% to \$185,000 in 1999 compared to \$169,000 in 1998 because of increased exchange listing fees.

Other administrative expenses decreased 20% from \$957,000 in 1998 to \$765,000 in 1999. Rent and travel expenses decreased and there was an 8% Australian foreign exchange rate decrease as discussed below.

Income Taxes

Income tax expense decreased from \$144,000 in 1998 to a credit of \$52,000 in 1999. The effective income tax rate for 1999 was -2% compared to 5% in 1998. The components of income tax expense between MPC and MPAL were as follows:

	1999	1998
MPC	\$105,000	\$ 1,000
MPAL	(157,000)	143,000
Consolidated tax (credit)	<u>\$(52,000)</u>	<u>\$144,000</u>

In 1998, there was no 15% Australian withholding tax on the dividend paid by MPAL to MPC compared to a withholding tax of \$105,000 in 1999. In addition, MPAL's income tax expense in 1999 (recognized during the 4th quarter) and 1998 was lower due to the effect of permanent tax benefits under Australian tax law and the utilization of prior year losses not previously taken into account.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to \$.6675 at June 30, 1999 compared to the value of \$.6194 at June 30, 1998. This resulted in a \$1,314,000 credit to accumulated translation adjustments for fiscal 1999. The 8% increase in the value of the Australian dollar increased the reported asset and liability amounts in the balance sheet at June 30, 1999 from the June 30, 1998 amounts. The annual average exchange rate used to translate MPAL's operations in Australia for fiscal 1999 was \$.6281, which is a 8% decrease compared to a \$.6810 rate for the comparable 1998 period.

1998 vs. 1997

The Company had consolidated net income of \$1,036,513 for fiscal 1998 compared to net income of \$693,987 for fiscal 1997. The components of consolidated net income for the comparable periods were as follows:

	Year ended June 30,	
	1998	1997
MPC unconsolidated pretax loss	\$ (688,596)	\$(1,254,223)
MPC income tax expense	(1,000)	(276,117)
Share of MPAL pretax income	1,798,595	2,815,193
Share of MPAL income tax	(72,486)	(590,866)
Consolidated net income	<u>\$1,036,513</u>	<u>\$ 693,987</u>

	=====	=====
Net income per share (basic & diluted)	\$.04	\$.03
	=====	=====

Revenues

Oil sales decreased 39% in fiscal 1998. Oil sales in Australia decreased in 1998 to \$4,098,000 from \$6,740,000 in 1997 because of a 11% decrease in oil prices, the 13% Australian foreign exchange rate decrease discussed below and a 19% decrease in the number of units produced. Oil unit sales (before deducting royalties) in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

	Fiscal 1998 Sales		Fiscal 1997 Sales	
	bbls	Average Price per bbl	bbls	Average Price per bbl
Australia - Mereenie	284,757	A.\$24.55	352,783	A.\$27.71

Gas sales in Australia decreased 9% in fiscal 1998. Gas sales decreased from \$11,552,000 in 1997 to \$10,485,000 in 1998 because of the 13% Australian foreign exchange rate decrease discussed below which was partially offset by a 3% increase in the volume of gas sold. 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:

	Fiscal 1998 Sales		Fiscal 1997 Sales	
	bcf	Average Price per mcf	bcf	Average Price per mcf
Australia:		(A.\$)		(A.\$)
Palm Valley				
Alice Springs contract	1.147	2.96	1.072	2.95
Darwin contract	2.395	2.02	2.496	2.02
Mereenie				
Darwin contract	2.171	2.02	1.963	1.99
Other	1.416	2.74	1.373	2.76
	-----		-----	
Total	7.129		6.904	

Other production income decreased 60% to \$652,000 in 1998 compared to \$1,644,000 in 1997. The primary reason for this decrease was that MPAL's share of gas pipeline tariffs decreased to \$531,000 in 1998 compared to \$1,498,000 in 1997. The 1998 amount decreased because of a dispute regarding the producers' share of the tariffs.

Interest income decreased 10% to \$741,000 in 1998 from \$822,000 in 1997. Although additional funds were available for investment, substantially lower interest rates and the 13% Australian foreign exchange rate decrease discussed below offset the increase.

Loss on sale of assets. During March 1998, MPAL agreed to sell its 15.625% interest in ATP 378P Queensland, Australia to its partner, Santos, Limited. The \$636,000 difference between the carrying cost and the sale price is included in loss on the sale of assets.

Costs and Expenses

Production costs decreased 24% to \$3,647,000 in 1998 from \$4,811,000 in 1997. The decrease relates to a decrease in costs at Mereenie and Palm Valley and the 13% Australian foreign exchange rate decrease discussed below.

Depreciation, depletion and amortization increased 3% in 1998 to \$2,205,000 from \$2,140,000 in 1997. The increase was the result of the additional costs added to the depletion calculation which was partially offset by the 13% Australian foreign exchange rate decrease discussed below.

Exploratory and dry hole costs totaled \$3,346,000 during 1998 compared to \$6,243,000 in 1997. In 1998, the Schilling-1 and the Kittiwake-1 well which were drilled offshore Western Australia were abandoned. In 1997, the Baca County, Colorado project was abandoned. In Belize, the Gladden No. 1 well was also plugged and abandoned in 1997. The costs (in thousands) in 1998 and 1997 for MPC and MPAL are as follows:

Location	1998			1997		
	MPAL	MPC	Total	MPAL	MPC	Total
Baca County, Colorado	\$ 46	\$ -	\$ 46	\$2,693	\$315	\$3,008
Belize, C.A.	72	32	104	2,372	283	2,655
Australia	3,196	-	3,196	580	-	580
	<u>\$3,314</u>	<u>\$32</u>	<u>\$3,346</u>	<u>\$5,645</u>	<u>\$598</u>	<u>\$6,243</u>

Bad debts increased to \$239,000 during the 1998 period. MPAL established a reserve for the amount due from Pegasus Gold Australian Pty. Ltd. because of its bankruptcy filing.

Income Taxes

Income tax expense decreased from \$1,442,000 in 1997 to \$144,000 in 1998. The effective income tax rate for 1998 was 5% compared to 34% in 1997. The components of income tax expense between MPC and MPAL were as follows:

	1998	1997
MPC	\$ 1,000	\$ 276,000
MPAL	143,000	1,166,000
Consolidated	<u>\$144,000</u>	<u>\$1,442,000</u>

In 1998, there was no 15% Australian withholding tax on the dividend paid by MPAL to MPC. In addition, MPAL's income tax expense in 1998 was lower due to the effect of permanent tax benefits under Australian tax law.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to \$.6194 at June 30, 1998 compared to the value of \$.7538 at June 30, 1997. This resulted in a \$3,284,000 charge to accumulated translation adjustments for fiscal 1998. The 18% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance sheet at June 30, 1998 from the June 30, 1997 amounts. The annual average exchange rate used to translate MPAL's operations in Australia for fiscal 1998 was \$.6810, which is a 13% decrease compared to a \$.7830 rate for the comparable 1997 period.

Item 7A. 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 June 30, 1999, the carrying value of such investments was approximately \$2.10 million, the fair value was \$2.06 million and the face value was \$2.09 million. Since the Company expects to hold the investment to maturity, the maturity value should be realized. During the year 1999, the value of the Australian dollar relative to the U.S. dollar increased 8% and increased the reported asset amounts at June 30, 1999 from the June 30, 1998 amounts.

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, 1999 and 1998 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, 1999. 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 generally accepted auditing standards. 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, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 1999, in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Stamford, Connecticut
September 15, 1999

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	June 30,	
	1999	1998
ASSETS		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	\$13,380,699	\$12,436,297
Accounts receivable	676,710	567,175
Marketable securities	392,973	1,265,495
Reimbursable development costs	95,743	191,266
Inventories	215,953	218,359
Other assets	282,900	296,933
	-----	-----
Total current assets	15,044,978	14,975,525
	-----	-----
Marketable securities	1,709,455	1,201,890
	-----	-----
Property and equipment:		
Oil and gas properties (successful efforts method)	46,430,741	39,196,101
Land, buildings and equipment	1,822,094	1,510,666
Field equipment	1,373,326	1,262,464
	-----	-----

	49,626,161	41,969,231	
Less accumulated depletion, depreciation and amortization		(22,901,263)	(18,949,917)
	-----	-----	
Total property and equipment		26,724,898	23,019,314
	-----	-----	
Other assets	754,639	582,251	
	-----	-----	
	\$44,233,970	\$39,778,980	
	=====	=====	
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 1,372,043	\$ 1,918,880	
Accrued liabilities	780,570	806,150	
Income taxes payable	120,150	-	
	-----	-----	
Total current liabilities	2,272,763	2,725,030	
	-----	-----	
Long term liabilities:			
Deferred income taxes	6,060,402	5,854,261	
Reserve for future site restoration costs	849,311	657,288	
	-----	-----	
Total long term liabilities	6,909,713	6,511,549	
	-----	-----	
Minority interests	15,317,698	13,123,313	
	-----	-----	
Commitments (Note 2)	-	-	
Stockholders' equity:			
Common stock, par value \$.01 per share:			
Authorized 50,000,000 shares			
Outstanding 25,108,226 (1999), 24,982,495 (1998) shares		251,082	249,825
Capital in excess of par value	43,586,606	43,532,238	
	-----	-----	
Total capital	43,837,688	43,782,063	
Accumulated deficit	(18,404,824)	(19,350,036)	
Accumulated other comprehensive loss	(5,699,068)	(7,012,939)	
	-----	-----	
Total Stockholders' equity	19,733,796	17,419,088	
	-----	-----	
	\$44,233,970	\$39,778,980	
	=====	=====	

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	Year ended June 30,		
	1999	1998	1997
	-----	-----	-----
Revenues:			
<S>	<C>	<C>	<C>
Oil sales	\$ 2,572,966	\$ 4,097,570	\$ 6,739,663
Gas sales	9,639,657	10,485,380	11,551,546
Other production related revenues	1,185,020	651,706	1,644,457
Interest income	717,118	741,011	821,941
Gain (loss) on sale of assets	-	(635,882)	-
	-----	-----	-----
	14,114,761	15,339,785	20,757,607
	-----	-----	-----

Options	131,250	1,313	122,062	-	-	123,375	-
	-----	-----	-----	-----	-----	-----	-----
Comprehensive loss						(2,247,221)	
						=====	
June 30, 1998	24,982,495	249,825	43,532,238	(19,350,036)	(7,012,939)	17,419,088	
Net income	-	-	-	945,212	-	945,212	945,212
Currency translation							
Adjustments	-	-	-	-	1,313,871	1,313,871	1,313,871
Exercise of stock							
Options	125,731	1,257	54,368	-	-	55,625	-
	-----	-----	-----	-----	-----	-----	-----
Comprehensive income						2,259,083	
						=====	
June 30, 1999	25,108,226	\$251,082	\$43,586,606	\$(18,404,824)	\$(5,699,068)	\$19,733,796	
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year ended June 30,		
	1999	1998	1997
	-----	-----	-----
Operating Activities:			
<S>	<C>	<C>	<C>
Net income	\$ 945,212	\$ 1,036,513	\$ 693,987
Adjustments to reconcile net income to net cash provided by operating activities:			
Exploratory and dry hole costs	420,748	775,150	6,243,211
Depletion, depreciation and amortization	2,356,582	2,205,127	2,140,066
Deferred income taxes	206,141	(1,232,963)	637,130
Minority interests	1,677,797	1,681,255	2,166,525
Increase (decrease) in operating assets and liabilities:			
Accounts receivable	(78,785)	1,058,967	1,082,939
Reimbursable development costs	103,461	145,024	(31,784)
Other assets	(330,742)	(97,483)	(84,665)
Inventories	14,367	109,923	111,429
Accounts payable and accrued liabilities	(442,159)	829,314	169,687
Income taxes payable	120,150	-	(1,947,610)
	-----	-----	-----
Net cash provided by operating activities	4,992,772	6,510,827	11,180,915
	-----	-----	-----
Investing Activities:			
Additions to property and equipment	(4,679,109)	(2,997,791)	(5,305,699)
Marketable securities purchased (sold)	364,957	(256,180)	(2,211,205)
	-----	-----	-----
Net cash used in investing activities	(4,314,152)	(3,253,971)	(7,516,904)
	-----	-----	-----
Financing Activities:			
Dividends to MPAL minority shareholders	(686,567)	(1,506,103)	(1,778,622)
Exercise of stock options	55,625	123,375	166,875
	-----	-----	-----
Net cash used in financing activities	(630,942)	(1,382,728)	(1,611,747)
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	896,724	(2,380,693)	(388,359)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	944,402	(506,565)	1,663,905

Cash and cash equivalents at beginning of year	12,436,297	12,942,862	11,278,957
	-----	-----	-----
Cash and cash equivalents at end of year	\$13,380,699	\$12,436,297	\$12,942,862
	=====	=====	=====

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1999

1. Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Magellan Petroleum Corporation ("MPC") and its subsidiaries, hereafter referred to collectively as the "Company". All intercompany transactions have been eliminated. At June 30, 1999 and 1998, MPC owned a 50.9% and 50.7% interest, respectively, in Magellan Petroleum Australia Limited ("MPAL"). During fiscal 1999, MPC increased its interest in MPAL by purchasing additional MPAL shares for \$112,000.

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.

Oil and Gas Properties

Oil and gas properties are located in Australia, Canada, Belize and the United States. 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 unit-of-production basis over the life of the related reserves. Cost centers for amortization purposes are determined on a field-by-field basis. 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 and requires an impairment provision or noncash charge against earnings for any quarter in which their carrying value exceeds the standardized measure of undiscounted future net cash flows from proved oil and gas reserves based on prices received for oil and gas production as of the end of that quarter or a subsequent date prior to publication of financial results for the quarter.

MAGELLAN PETROLEUM CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1999

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

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.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 the Company's Australian subsidiaries 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, 1999 and 1998, the Australian dollar was equivalent to U.S.\$0.6675, and \$0.6194, respectively.

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

Recently issued accounting standards

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 confirm to the requirements of Statement 130.

For the year ended June 30, 1999, the Company adopted SFAS No. 132, Employers' Disclosures about Pension and Other Postretirement Benefits. This Statement revises employers' disclosures about pension plans, but does not result in any financial impact. SFAS No. 132 standardizes the disclosure requirements for pensions benefits to the extent practicable, requires additional information on changes in the benefits obligations and fair values of plan assets that will facilitate financial analysis, and eliminates certain disclosures (see Note 10 of Notes to Financial Statements).

In June 1998, FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS No. 133"). SFAS No. 133 provides a comprehensive and consistent standard for the recognition and measurement of derivatives and hedging activities. The statement requires all derivatives to be recognized on the balance sheet at fair value and establishes standards for the recognition of changes in such fair value. SFAS No. 133 is effective for the Company's 2001 fiscal year. Because the Company does not currently use derivatives, the adoption of SFAS No. 133 will not have a significant effect on earnings or the financial condition of the Company.

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.

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

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,	
	1999	1998
Cash	\$ 132,589	\$ 23,460
U.S. marketable securities	1,087,601	1,085,137
Australian money market accounts and short term commercial paper	12,160,509	11,327,700
	<u>\$13,380,699</u>	<u>\$12,436,297</u>

Marketable securities

At June 30, 1999 and 1998, the Company has the following marketable securities which are expected to be held until maturity:

<TABLE>
<CAPTION>

	June 30, 1999	Par value	Amortized Maturity Date	Cost	Fair value
Short-term securities					
<S>	<C>	<C>	<C>	<C>	
Federal National Mortgage Association		\$ 400,000	Jul. 15, 1999	\$ 392,973	\$ 399,258
Long-term securities					
Federal National Mortgage Association		\$ 400,000	Feb. 16, 2001	\$ 400,000	\$ 395,560
New Britain Connecticut Bond		335,000	May 1, 2001	335,417	330,578
State of Connecticut Bond		550,000	Jan. 15, 2003	557,747	540,337
State of Connecticut Bond		400,000	Jul. 1, 2003	416,291	396,224
		<u>\$1,685,000</u>		<u>\$1,709,455</u>	<u>\$1,662,699</u>
June 30, 1998					
Short-term securities					
Federal Home Loan Bank		\$1,300,000	Nov. 10, 1998	\$1,265,495	\$1,265,496
Long-term securities					
Federal National Mortgage Association		\$ 375,000	May 3, 2000	\$ 375,000	\$ 374,063
Federal National Mortgage Association		465,000	Aug. 25, 2000	465,000	463,256
Federal Home Loan Mortgage Corporation		360,000	Apr. 2, 2001	361,890	361,688
		<u>\$1,200,000</u>		<u>\$1,201,890</u>	<u>\$1,199,007</u>

</TABLE>

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

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.

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.

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.

2. Oil and gas properties

(a) Australia

Mereenie

MPAL (35%) and Santos (65%), the operator, (together known as the Mereenie Participants) own the Mereenie field which is located in the Amadeus Basin of the Northern Territory. MPAL's share of production from the field is subject to net overriding royalties aggregating 3.0625% and the statutory government royalty of 10%. MPAL's share of the Mereenie field proved developed oil reserves was approximately 730,000 barrels at June 30, 1999.

2. Oil and gas properties (Cont'd)

The field was producing about 1,700 (MPAL share - 595) barrels of crude oil per day ("bpd") at June 30, 1999. During 1999, MPAL's share of oil sales was 236,000 barrels and 3.4 billion cubic feet ("bcf") of gas sold from 41 oil and gas wells. The oil is transported by means of a 167 mile eight-inch oil pipeline from the field to the Brewer Estate 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 Participants are also providing Mereenie gas in the Northern Territory to the Power and Water Authority ("PAWA") and Gasgo Pty. Ltd., a company it wholly owns, for use in Darwin and other Northern Territory centers. See "Gas Supply Contracts".

During 1999, the Mereenie Participants had been negotiating for the sale of Liquid Petroleum Gas from the field to a purchaser but the project was terminated after it was determined that it was uneconomic.

Palm Valley

MPAL has a 50.8% interest in and is the operator of the Palm Valley gas field which is located in the Northern Territory. Santos, the operator of the Mereenie field, owns a 48% interest in Palm Valley. Ten wells have been drilled in the field, five of which are currently connected to the gas treatment plant and are flowed at maximum deliverability levels to meet the Alice Springs and Darwin supply contracts with PAWA. See "Gas Supply Contracts". During fiscal 1999, MPAL's share of gas sales was 3.7 bcf. In order to increase deliverability, field compression began in November 1996 with two 400 HP compressors. A third 800 HP compressor was installed during fiscal 1999. MPAL has recommended that four additional wells be drilled at Palm Valley to improve the field's production capacity. Under the gas supply agreement with PAWA, the

costs of these wells are reimbursed by PAWA and, consequently, the recommendation is under review by PAWA's consultants.

MPAL's share of Palm Valley production revenues is subject to a 10% statutory government royalty and net overriding royalties aggregating 4.2548%.

2. Oil and gas properties (Cont'd)

Gas Supply Contracts

In 1983, the Palm Valley Participants commenced the sale of gas to Alice Springs under a 1981 agreement. In 1985, the Palm Valley Participants and Mereenie Participants 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. The following is a summary of MPAL's interest in the Palm Valley and the Mereenie gas supply contracts:

<TABLE>

<CAPTION>

	Maximum contract (balance/after royalties) (bcf)	Percentage of contract completed	Contract Period
Palm Valley:			
<S>	<C>	<C>	<C>
Alice Springs (1981)	9.6	54	25 years (1983-2008)
Darwin (1985)	43.8	43	25 years (1987-2012)

	53.4		
Mereenie:			
Darwin (1985)	8.6	43	25 years (1987-2012)
Darwin (1995)	-	100	10 years (1995-2005)
Darwin (1997)	18.4	-	10 years (1999-2009)
Other	.7	-	Various

	27.7		
Total	81.1		

</TABLE>

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.

In consideration for the Palm Valley Participants forgoing 20% of the Amadeus Basin to Darwin gas supply contract during the first 20 contract years, Mereenie Participants made a payment to the Palm Valley Participants to partially compensate the Palm Valley Participants for the reduced net present value of the future gas sales revenues which were postponed from contract years 1 to 20 to contract years 21 to 26. The agreement also provides that when the Mereenie Participants sell any additional gas from the Mereenie field, the Palm Valley Participants are entitled, as additional consideration, to 35% of the revenues from the first 38 bcf (MPAL share - 19.5 bcf) of gas sold. At June 30, 1999, the balance of the Mereenie Participants gas subject to this entitlement was 9.7 bcf (MPAL share - 4.8 bcf).

2. Oil and gas properties (Cont'd)

At June 30, 1999, the Company had accrued \$849,000 for future site restoration costs for the Mereenie and Palm Valley fields. The balance of the

estimated liability is \$3,246,000 at June 30, 1999 which will be accrued over the remaining life of the related reserves based on units of production.

Dingo Gas Field

MPAL has a 34.3% interest in the Dingo gas field which is held under Retention License 2 and 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. Dingo 2 and Dingo 3 wells are estimated to have the capacity of producing a combined rate of 5 million cubic feet ("mmcf") per day. MPAL's share of potential production from these permit areas is subject to a 10% statutory government royalty and overriding royalties aggregating 2.5043%.

Ngalia Basin

MPAL had a 40% interest in permit EP-15 in the Ngalia basin in the Northern Territory which expired during May 1999. During July 1998, the Newhaven well was plugged and abandoned. MPAL's share of the drilling costs incurred through June 30, 1998 were included in exploratory and dry hole costs for the 1998 fiscal year. The costs to drill the well subsequent to June 30, 1998 in the amount of \$316,000 are included in exploratory and dry hole costs for fiscal 1999.

Northern Surat Basin

During fiscal 1998, MPAL sold its 15.625% interest in ATP 378P Queensland, Australia to its partner, Santos. The \$636,000 difference between the carrying cost and the sale price was included in loss on the sale of assets for the 1998 fiscal year.

Surat Basin

During the 1998 fiscal year, MPAL earned a 17% interest in Block D of ATP 244P in Queensland by completing a pilot seismic reprocessing program. During the 1999 fiscal year, MPAL abandoned its interest in the permit.

During fiscal 1998, MPAL earned a 15% interest in ATP 626P in Queensland. During fiscal 1999, MPAL relinquished its interest in the permit.

2. Oil and gas properties (Cont'd)

Timor Sea

During April 1998, MPAL acquired a 5% interest in Exploration Permit WA-199-P in the Bonaparte Basin in the Timor Sea offshore Western Australia. MPAL earned its interest in the permit by funding 10% of the cost of drilling the Kittiwake-1 well which was a dry hole. MPAL's cost of the well was written off in the fourth quarter of fiscal 1998 and was included in exploratory and dry hole costs. MPAL relinquished its interest in the permit during the 1999 fiscal year.

Browse Basin

During the 1999 fiscal year, MPAL was granted a 17.5% interest in exploration permits WA-281-P, WA-282-P and WA-283-P in the Browse Basin offshore Western Australia. During the 1999 fiscal year, MPAL spent approximately \$67,000 toward the Year 1 work obligations. MPAL's share of the work obligations for the three permits is as follows:

	WA-281-P	WA-282-P	WA-283-P	Total
Year 1	\$ 368,000	\$ 286,000	\$ 286,000	\$ 940,000
Year 2	713,000	111,000	111,000	935,000
Year 3	1,320,000	23,000	1,203,000	2,546,000
Total Years 1-3	<u>\$2,401,000</u>	<u>\$ 420,000</u>	<u>\$1,600,000</u>	<u>\$4,421,000</u>
Year 4	187,000	23,000	187,000	397,000

Year 5	1,437,000	1,308,000	1,437,000	4,182,000
Year 6	35,000	23,000	35,000	93,000
Total Year 4-6	\$1,659,000	\$1,354,000	\$1,659,000	\$4,672,000
Total All Years	\$4,060,000	\$1,774,000	\$3,259,000	\$9,093,000

During January 1999, MPAL was granted exploration blocks WA-287-P and WA-288-P in the Eastern Browse Basin offshore Western Australia. During the 1999 fiscal year, MPAL spent approximately \$54,000 toward the Year 1 work obligations. The following exploration program was submitted to obtain the blocks with the exploration expenditures in Years 1-3 obligatory and Years 4-6 discretionary:

Year	WA-287-P	WA-288-P	Total
1	\$ 67,000	\$ 120,000	\$ 187,000
2	134,000	334,000	468,000
3	134,000	134,000	268,000
Total Years 1-3	335,000	588,000	923,000
4	2,336,000	2,336,000	4,672,000
5	167,000	167,000	334,000
6	2,336,000	2,336,000	4,672,000
Total Years 4-6	4,839,000	4,839,000	9,678,000
Total All Years	\$5,174,000	\$5,427,000	\$10,601,000

2. Oil and gas properties (Cont'd)

Carnarvon Basin

MPAL earned a 15% interest in exploration permits TP/12 and EP398 in the Carnarvon Basin offshore Western Australia by funding 30% of the cost of drilling the Springbok-1 well. The Springbok-1 well was plugged and abandoned during August 1998. MPAL's cost of drilling the well was written off during the first quarter of fiscal 1999.

During April 1999, MPAL was awarded permit WA-291-P, offshore Western Australia in the Carnarvon Basin. The minimum expenditure obligations for the first three year period totals \$347,000. The discretionary commitment for years 4-6 totals approximately \$4.8 million.

Maryborough Basin

MPAL holds a 98% interest in exploration permit ATP 613P, a 670,000 acre block, in the Maryborough Basin in Queensland, Australia.

Cooper Basin

During April 1999, MPAL (50%) and its partner Beach Petroleum NL were successful in bidding for two exploration blocks in South Australia's Cooper Basin. The formal grant of the permit is pending. MPAL's share of the work obligations during the five year period of the permit are as follows:

Year	CO98I	CO98J	Total
1	\$ 534,000	\$ 668,000	\$1,202,000
2	334,000	401,000	735,000
3	234,000	300,000	534,000
Total Years 1-3	1,102,000	1,369,000	2,471,000

4	67,000	367,000	434,000
5	234,000	300,000	534,000
	-----	-----	-----
Total Years 4-5	301,000	667,000	968,000
	-----	-----	-----
Total All Years	\$1,403,000	\$2,036,000	\$3,439,000
	=====	=====	=====

2. Oil and gas properties (Cont'd)

(b) Canada

The Company has a 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory which has been on production since February 1991. There are two wells capable of production in the field which is part of a permit covering 31,885 gross acres. For financial statement purposes in fiscal 1987 and 1988, the Company wrote down its Canada cost center, which included 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. Although the field is now producing, the Company has not yet classified its share of the Kotaneelee gas reserves as proved because the gas field is still the subject of litigation. The Company will reclassify the reserves at the Kotaneelee field as proved when there is greater assurance as to the timing and assumptions regarding the investment. Projections by the operator of the field, indicate that the carried interest account may reach payout status prior to December 1999.

(c) United States

Baca County, Colorado

MPC (10%) and MPAL (90%) participated in an exploration program in Colorado. During 1995, MPAL commenced a three well drilling program. All three wells were dry holes. During fiscal 1995 and 1996, the Company wrote off \$809,000 and \$1,691,000 in costs, respectively. During fiscal 1997, the Company drilled a fourth well which was a dry hole and all of the remaining costs of the project, which totaled \$3,008,000, were written off. During fiscal 1999, MPAL spent approximately \$16,000 on the project and it is allowing most of the leases to expire.

Tapia Canyon, California

Effective December 1, 1997, MPC acquired a 20% interest in a heavy oil recovery project in Tapia Canyon, California. Because the Company was dissatisfied with the program to develop the field reserves, the Company has sold its interest for its approximate cost of \$101,000 effective August 31, 1999.

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 which is presently suspended. There are indications of oil and additional work will be performed during September 1999. During late June 1999, MPC also participated (21.4%) in the drilling of the Smith No. 1 well which also has indications of oil. MPC's capitalized costs at June 30, 1999 totaled \$71,000.

(d) Belize

Southern Offshore Block PSA

During March 1998, MPC (3%), MPAL (20%) and the other joint venture participants entered into a new Production Sharing Agreement ("PSA") with the Government of Belize. The new Southern Offshore Block PSA ("SOB PSA") combines most of the blocks previously included in the Gladden PSA and the Block 13 PSA, and totals approximately 893,000 acres. The work obligations of the new PSA are as follows: Year 1 - \$100,000, Year 2 - \$300,000, Year 3 - \$3,000,000 and Year 4 - \$150,000. The participants in the PSA have been seeking partners in the venture. The first year obligations have been completed and the participants are negotiating with the Government of Belize to reduce the Year 2 obligations.

Gladden Basin PSA/Block 13 PSA

During 1997, the Gladden No. 1 well was plugged and abandoned and the Company's cost of the well was written off. During March 1998, this block was consolidated into the SOB PSA.

MPC and MPAL were also participants in a Production Sharing Agreement ("Block 13 PSA") offshore Belize adjoining the western and southern boundaries of the Gladden PSA. The Block 13 PSA covered approximately 788,000 acres. During March 1998, this block was consolidated into the SOB PSA.

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 BALANCE SHEETS

	June 30,	
	1999	1998
	-----	-----
ASSETS		
Current assets	\$ 1,684	\$ 2,691
Other assets	1,992	1,202
Oil and gas properties - net	171	126
Investment in MPAL	15,957	13,497
	-----	-----
Total assets	\$19,804	\$17,516
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 70	\$ 97
	-----	-----
Stockholders' equity:		
Capital	43,838	43,782
Accumulated deficit	(18,405)	(19,350)
Accumulated other comprehensive loss	(5,699)	(7,013)
	-----	-----
Total stockholders' equity	19,734	17,419
	-----	-----
Total liabilities and stockholders' equity	\$19,804	\$17,516
	=====	=====

MAGELLAN PETROLEUM CORPORATION STATEMENTS OF INCOME

	Year ended June 30,		
	1999	1998	1997
	-----	-----	-----
Revenues	\$ 190	\$ 175	\$ 122
Costs and expenses	(879)	(863)	(1,376)
	-----	-----	-----
Loss before income taxes	(689)	(688)	(1,254)
Income tax provision	105	1	276
	-----	-----	-----
Loss before equity in MPAL	(794)	(689)	(1,530)
Equity in MPAL net income	1,739	1,726	2,224
	-----	-----	-----

Net income	\$ 945	\$1,037	\$ 694
	=====	=====	=====

3. MPC condensed financial statements (Cont'd)

MAGELLAN PETROLEUM CORPORATION
STATEMENTS OF CASH FLOWS

	Year ended June 30,		
	1999	1998	1997
	-----	-----	-----
Operating Activities:			
Net income	\$ 945	\$1,037	\$ 694
Adjustments to reconcile net income to net cash used in operating activities:			
Abandonments	47	-	598
Equity in MPAL income	(1,739)	(1,726)	(2,224)
Change in operating assets and liabilities:			
Accounts receivable	(37)	(59)	(57)
Accounts payable and accrued liabilities	(27)	79	(73)
	-----	-----	-----
Net cash used in operating activities		(811)	(669)
	-----	-----	-----
Investing Activities:			
Additions to property and equipment		(92)	(79)
Marketable securities purchased (sold)		365	(256)
Purchase of MPAL shares		(112)	-
	-----	-----	-----
	161	(335)	(2,574)
	-----	-----	-----
Financing Activities:			
Dividends from MPAL		705	1,546
Exercise of stock options		56	122
	-----	-----	-----
	761	1,668	1,993
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	111	664	(1,643)
Cash and cash equivalents at beginning of year		1,088	424
	-----	-----	-----
Cash and cash equivalents at end of year		\$1,199	\$1,088
	=====	=====	=====

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, 1999, Santos Ltd. held 18.2% of MPAL and Boral Limited held 17.1% with the balance of 13.8% held by approximately 2,000 shareholders in Australia.

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

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

Magellan Petroleum Australia Limited
Consolidated Balance Sheets

	June 30,	
	1999	1998
	-----	-----

ASSETS

Current assets	\$13,832	\$12,866
Oil and gas properties - net	25,313	21,887
Land, building and equipment - net	1,073	885
	-----	-----
Total	\$40,218	\$35,638
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	\$ 2,202	\$ 2,628
	-----	-----
Long term liabilities	7,005	6,606
	-----	-----
Stockholders' equity:		
Capital	34,408	34,408
Retained earnings	6,890	4,865
Accumulated other comprehensive loss	(10,287)	(12,869)
	-----	-----
	31,011	26,404
	-----	-----
Total	\$40,218	\$35,638
	=====	=====

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

Magellan Petroleum Australia Limited Consolidated Statements of Income

	Year ended June 30,		
	1999	1998	1997
	-----	-----	-----
Revenues	\$13,925	\$15,165	\$20,636
Costs and expenses	10,666	11,615	15,079
	-----	-----	-----
Income before income taxes	3,259	3,550	5,557
Income tax provision (benefit)	(158)	143	1,166
	-----	-----	-----
Net income	\$ 3,417	\$ 3,407	\$ 4,391
	=====	=====	=====

Magellan and Minority Equity in MPAL

Magellan equity interest in MPAL:			
Magellan equity in net income	\$ 1,739	\$ 1,726	\$ 2,224
	=====	=====	=====
Minority equity interest in MPAL:			
Minority interest in net income	\$ 1,678	\$ 1,681	\$ 2,166
Other comprehensive income (loss)	1,203	(3,198)	(922)
Dividends paid	(687)	(1,506)	(1,779)
	-----	-----	-----
Total minority interest increase (decrease)	\$ 2,194	\$ (3,023)	\$ (535)
	=====	=====	=====

5. Capital and stock options

The Company'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 October 5, 1989, the Company adopted a Stock Option Plan covering one million shares of the Company's common stock. The plan provides 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 which was approved at the 1998 Annual Meeting of Stockholders.

At June 30, 1999, all of the stock options outstanding were vested and exercisable. Options to purchase 146,000 shares expire on October 20, 2003 and options to purchase 50,000 (which were repriced from \$2.75 to \$1.57, the fair value on the date of repricing) shares expire on September 25, 2001. During fiscal 1999, options to purchase 175,000 shares of common stock were exercised in a cashless exchange which resulted in the issuance of 75,731 shares. Following is a summary of option transactions for the three years ended June 30, 1999:

Options outstanding	Number of shares	Exercise Prices (\$)
July 1, 1996	516,250	.75 - 1.0625
Granted	50,000	2.75
Exercised	(150,000)	1.0625
Exercised	(10,000)	.75

June 30, 1997	406,250	.8125-2.75
Exercised	(131,250)	.94
June 30, 1998	275,000	.8125 - 2.75

Granted	146,000	1.57
Exercised	(225,000)	.8125

June 30, 1999	196,000	1.57
	=====	
		(\$1.57 weighted average)
Options reserved for future grants	1,000,000	

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, 1999.

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 1997 valuation model were: risk free interest rate - 6.55%, expected life - 5 years, expected volatility - .579, expected dividend - 0. The assumptions used in the 1999 valuation model were: risk free interest rate - 4.45%, expected life - 5 years, expected volatility - 1.0, 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 expensed in the year of grant since the options are immediately exercisable. The Company's pro forma information follows:

	Amount	Per Share	
Net income as reported - June 30, 1997	\$ 694,000	\$.03	
Stock option expense	(78,000)	-	
Pro forma net income - June 30, 1997	\$ 616,000	\$.03	
Net income as reported - June 30, 1999	\$ 945,000	\$.04	
Stock option expense	(200,000)	(.01)	
Pro forma net income - June 30, 1999	\$ 745,000	\$.03	

6. Income taxes

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

	Year ended June 30,		
	1999	1998	1997
United States	\$ (743)	\$ (850)	\$ (4,547)
Foreign	3,314	3,712	8,850
Total	\$2,571	\$2,862	\$ 4,303

- (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:

	Year ended June 30,			
	1999	1998	1997	
Pretax consolidated income	\$2,571	\$2,862	\$4,303	
Losses not recognized:				
MPC's operations	689	689	1,254	
MPAL's nonAustralian operations	-	-	(145)	
Permanent differences	(1,231)	(2,443)	(2,040)	
Book taxable income - Australia	\$2,029	\$1,108	\$3,372	
Australian tax rate	36%	36%	36%	
Australian income tax	\$ 722	\$ 399	\$1,214	
Tax (benefit) attributable to reconciliation of				
Year end deferred tax liability	(879)	(256)	(48)	
MPAL Australian tax (benefit)	\$ (157)	\$ 143	\$1,166	
MPC income tax	105	1	276	
Consolidated income tax (benefit)	\$ (52)	\$ 144	\$1,442	
Current income tax	\$ 225	\$ 1	\$ 276	

Deferred income tax	(277)	143	1,166
Consolidated income tax (benefit)	\$ (52)	\$ 144	\$1,442
Effective tax rate	(2%)	5%	34%

The amount of \$6,060,000 and \$5,854,000 in deferred income tax liability at June 30, 1999 and June 30, 1998, respectively, relates primarily to the deduction of acquisition and development costs which are capitalized for financial statement purposes. The 1999 and 1998 credits of \$879,000 and \$255,000 represent the tax benefit of prior years' losses previously not taken into account.

6. Income taxes (Cont'd)

(c) United States

On June 30, 1999, the Company had approximately \$16,408,000 and \$3,538,000 of net operating loss carryforwards for federal and state income tax purposes, respectively, which are scheduled to expire periodically between the years 2000 and 2019. The Company also has approximately \$887,000 of foreign tax credit carryovers, which are scheduled to expire periodically between the years 2000 and 2004. For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax assets related to those carryforwards and other temporary differences. Significant components of the Company's deferred tax assets were as follows:

	June 30, 1999	June 30, 1998
Net operating losses	\$ 4,223,000	\$ 4,075,000
Foreign tax credits	887,000	1,004,000
Interest	214,000	214,000
Intangible drilling costs	-	7,000
Total deferred tax assets	5,324,000	5,300,000
Valuation allowance	(5,324,000)	(5,300,000)
Net deferred tax assets	\$ -	\$ -

7. Bank loan

MPAL has a \$6.7 million line of credit with an Australian bank at the bank's prime rate of interest (4.9% at June 30, 1999, and 5.2% at June 30, 1998) plus .5%. This line of credit is unsecured and expires December 31, 1999. In addition, there is an annual fee of A.\$30,000 payable with respect to the line of credit. At June 30, 1999 and 1998, the line of credit was not being utilized.

8. Related party and other transactions

G&O'D INC, a firm that provides accounting and administrative services, office facilities and support staff to the Company, was paid \$235,028, \$248,174 and \$211,088 in fees for fiscal years 1999, 1998 and 1997, respectively. James R. Joyce, the President and Chief Financial Officer, is the owner of G&O'D INC. Mr. Timothy L. Largay, a director of the Company since February 1996, is a member of the law firm of Murtha, Cullina, Richter and Pinney LLP, which firm was paid fees of \$44,860, \$36,366 and \$29,004 for fiscal years 1999, 1998 and 1997, respectively. In addition, Mr. Heath, a director, has overriding royalty interests which were granted between 1957 and 1968 on certain of the Company's oil and gas properties prior to any discoveries. The following gross royalty amounts represent payments by all of the owners of the fields, not just the Company's share. The payments to Mr. Heath with respect to these royalties in fiscal 1999 were \$44,469, in fiscal 1998 were \$46,044 and in fiscal 1997 were

\$54,252.

9. Leases

At June 30, 1999, future minimum rental payments applicable to MPAL's noncancelable operating (office) lease were as follows:

Fiscal Year	Amount
2000	\$100,000
2001	105,000
2002	110,000
2003	130,000
2004	136,000

Total	\$581,000

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.

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

	June 30,	
	1999	1998
	-----	-----
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$2,412,353	\$2,639,716
Service cost	207,386	186,819
Interest cost	137,739	135,945
Actuarial gains and losses	61,692	124,542
Benefits paid	(87,691)	(142,208)
Taxes on contributions	(43,022)	(27,566)
Expenses	(41,707)	(34,242)
Foreign currency effect	187,334	(470,653)
	-----	-----
Benefit obligation at end of year	\$2,834,084	\$2,412,353
	=====	=====
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$2,974,283	\$3,311,309
Actual return on plan assets	232,262	253,429
Contributions by employer	233,566	203,956
Benefits paid	(87,691)	(142,208)
Foreign currency effect	230,970	(590,395)
Other (expenses)	(84,729)	(61,808)
	-----	-----
Fair value of plan assets at end of year	\$3,498,661	\$2,974,283
	=====	=====
Reconciliation of Funded Status		
Funded Status	\$ 664,577	\$ 561,930
Unrecognized actuarial loss (gain)	(148,469)	(165,324)
Unrecognized prior service cost	238,530	185,646
	-----	-----
Prepaid benefit costs	\$ 754,638	\$ 582,252
	=====	=====

10. Pension Plan (Cont'd)

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

	Year ended June 30,		
	1999	1998	1997
Service cost	\$217,154	\$186,819	\$242,014
Interest cost	140,517	135,945	200,995
Actual return on plan assets	(186,932)	(192,079)	(246,904)
Net amortization and deferred items	(29,694)	(27,554)	(18,472)
Net pension cost	\$141,045	\$103,131	\$177,633
Plan contributions by MPAL	\$220,000	\$224,000	\$275,000

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

	1999	1998	1997
Assumed discount rate	6.0%	5.5%	6.5%
Rate of increase in future compensation levels	4.5%	4.0%	5.0%
Expected long term rate of return on plan assets	6.0%	6.5%	7.0%
Australian exchange rate	\$.6675	\$.6194	\$.7538

11. Segment information

The Company has two reportable segments, MPC and its 50.9% 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:

	Year ended June 30,		
	1999	1998	1997
Revenues:			
MPC	\$ 895	\$ 1,721	\$ 1,948
MPAL	13,925	15,165	20,636
Elimination of intersegment dividend		(705)	(1,546)
Total consolidated revenues	\$14,115	\$15,340	\$20,758

11. Segment information (Cont'd)

	Year ended June 30,		
	1999	1998	1997
Interest income:			
MPC	\$ 183	\$ 171	\$ 122
MPAL	534	570	700
Total consolidated	\$ 717	\$ 741	\$ 822
Net income:			
MPC	\$ (89)	\$ 857	\$ 296
MPAL	1,739	1,726	2,224

Elimination of intersegment dividend	(705)	(1,546)	(1,826)
Consolidated income	<u>\$ 945</u>	<u>\$ 1,037</u>	<u>\$ 694</u>
Assets:			
MPC	\$ 19,804	\$ 17,516	\$ 19,561
MPAL	40,218	35,638	43,149
Equity elimination	(15,788)	(13,375)	(16,480)
Total consolidated assets	<u>\$ 44,234</u>	<u>\$ 39,779</u>	<u>\$ 46,230</u>
Other significant items:			
Depletion, depreciation and amortization:			
MPC	\$ -	\$ -	\$ -
MPAL	2,357	2,205	2,140
Total consolidated	<u>\$ 2,357</u>	<u>\$ 2,205</u>	<u>\$ 2,140</u>
Exploratory and dry hole costs:			
MPC	50	\$ 32	\$ 598
MPAL	2,009	3,314	5,645
Total consolidated	<u>\$ 2,059</u>	<u>\$ 3,346</u>	<u>\$ 6,243</u>
Income tax expense (credit):			
MPC	\$ 105	\$ 1	\$ 276
MPAL	157	143	1,166
Total consolidated	<u>\$ (52)</u>	<u>\$ 144</u>	<u>\$ 1,442</u>

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:

	Year ended June 30,		
	1999	1998	1997
Revenue:			
Australia	\$13,924	\$15,148	\$20,618
United States	191	192	140
	<u>\$14,115</u>	<u>\$15,340</u>	<u>\$20,758</u>
Operating income (loss):			
Australia	\$ 3,144	\$ 3,979	\$10,195
Belize	(351)	(195)	(2,584)
United States	(46)	(163)	(2,862)
	<u>2,747</u>	<u>3,621</u>	<u>4,749</u>
Corporate overhead and interest net of other income	(176)	(759)	(446)
Consolidated operating income before income taxes and minority interests	<u>\$ 2,571</u>	<u>\$ 2,862</u>	<u>\$ 4,303</u>
Net income (loss):			
Australia	\$ 1,945	\$ 1,911	\$ 5,212
Belize	(178)	(103)	(1,320)
United States	(822)	(771)	(3,198)

	945	\$ 1,037	\$ 694
Identifiable assets:			
Australia	\$40,218	\$35,236	\$42,516
Belize	-	433	563
United States	169	17	70
	40,387	35,686	43,149
Corporate assets	3,847	4,093	3,081
	\$44,234	\$39,779	\$46,230

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

13. Other financial information

	Year ended June 30,		
	1999	1998	1997
Costs and expenses - Other			
Consultants	\$ 160,684	\$ 52,741	\$ 108,552
Directors' fees and expense	200,373	181,466	173,832
Insurance	189,765	217,503	284,532
Interest expense	19,259	24,468	32,005
Rent	167,947	271,241	326,665
Taxes	158,925	218,467	234,960
Travel	145,046	219,172	233,044
Other (net of overhead reimbursements)	(277,496)	(228,126)	(426,323)
	\$ 764,503	\$ 956,932	\$ 967,267
Royalty payments	\$1,224,149	\$1,464,478	\$1,930,011
Interest payments	\$ 19,259	\$ 24,468	\$ 32,005
Income tax payments	\$ 105,370	\$ 1,000	\$2,256,934

14. Selected quarterly financial data (unaudited)

The following is a summary (in thousands) of the quarterly results of operations for the years ended June 30, 1999 and 1998:

1999	QTR 1	QTR 2	QTR 3	QTR 4*
	(\$)	(\$)	(\$)	(\$)
Total revenues	3,200	3,570	3,319	4,026
Costs and expenses	(3,398)	(2,781)	(3,332)	(2,033)
Income tax (provision) benefit	53	(372)	(98)	469
Minority interests	(28)	(358)	(38)	(1,254)
Net income (loss)	(173)	59	(149)	1,208
Per share (basic & diluted)	.01	-	(.01)	.05
1998	QTR 1	QTR 2	QTR 3	QTR 4
	(\$)	(\$)	(\$)	(\$)
Total revenues	4,552	4,497	3,184	3,107
Costs and expenses	(3,943)	(2,858)	(2,442)	(3,235)

Income tax (provision) benefit	(251)	(520)	(246)	873
Minority interests	(288)	(653)	(324)	(417)
	-----	-----	-----	-----
Net income	70	466	172	328
	=====	=====	=====	=====
Per share (basic & diluted)	-	.02	.01	.01
	====	====	====	====

*See Management's Discussion and Analysis of Financial Condition and Results of Operations.

MAGELLAN PETROLEUM CORPORATION
SUPPLEMENTARY OIL AND GAS INFORMATION
(unaudited)

June 30, 1999

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 therefrom, 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:

Proved Reserves:	Natural Gas	Oil
	(Bcf)	(Thousand Bbls)
	Australia	Australia
	(*)	
June 30, 1996	79.670	1,201
Revision of previous estimates	(.861)	65
Extensions and discoveries	22.946	-
Production	(5.673)	(307)
	-----	-----
June 30, 1997	96.082	959
Revision of previous estimates	(5.071)	204
Extensions and discoveries	-	-
Production	(5.844)	(248)
	-----	-----
June 30, 1998	85.167	915
Revision of previous estimates	.011	20
Extensions and discoveries	1.258	-
Production	(5.898)	(205)
	-----	-----
June 30, 1999	80.538	730
	=====	=====

Proved Developed Reserves:

June 30, 1996	79.670	1,201
	=====	=====
June 30, 1997	96.082	959
	=====	=====
June 30, 1998	85.167	915
	=====	=====
June 30, 1999	80.538	730
	=====	=====

(*) The amount of proved reserves applicable to the Palm Valley and Mereenie fields only reflects the amount of gas committed to specific contracts. Approximately 49.1% of reserves are attributable to minority interests at June 30, 1999 (49.3% for 1998 and 1997).

Costs of oil and gas activities (in thousands):

Fiscal Year	Australia	
	Exploration Costs	Development Costs
1999	\$1,648	\$3,757
1998	3,196	3,474
1997	580	678

Fiscal Year	Americas	
	Exploration Costs	Acquisition Costs
1999	\$ 81	\$ --
1998	150	79
1997	3,138	47

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

	June 30, 1999		
	Australia	Americas	Total
Costs subject to DD&A	\$49,456	\$ -	\$49,456
Costs not subject to DD&A	-	171	171
Less accumulated DD&A	(22,902)	-	(22,902)
Net capitalized costs	<u>\$26,554</u>	<u>\$171</u>	<u>\$26,725</u>

	June 30, 1998		
	Australia	Americas	Total
Costs subject to DD&A	\$41,470	\$ -	\$41,470
Costs not subject to DD&A	-	499	499
Less accumulated DD&A	(18,950)	-	(18,950)
Net capitalized costs	<u>\$22,520</u>	<u>\$499</u>	<u>\$23,019</u>

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, 1999. Australia was the only cost center with proved reserves. At June 30, 1999, approximately 49.1% (49.3% for 1998 and 1997) of the reserves and the respective discounted future net cash flows are attributable to minority interests.

	Total		
	1999	1998	1997
Future cash inflows	\$144,116	\$136,828	\$198,406
Future production costs	(17,917)	(17,441)	(22,204)
Future development costs	-	(893)	-
Future income tax expense	(42,288)	(40,429)	(60,926)
Future net cash flows	<u>83,911</u>	<u>78,065</u>	<u>115,276</u>
10% annual discount for estimating timing of cash flows	(30,590)	(29,813)	(46,963)
Standardized measures of discounted future net cash flows	<u>\$ 53,321</u>	<u>\$ 48,252</u>	<u>\$ 68,313</u>

The following are the principal sources of changes in the above standardized measure of discounted future net cash flows (in thousands):

1999	1998	1997
------	------	------

Net change in prices and production costs	\$ 952	\$ (4,318)	\$18,300
Extensions and discoveries	1,123	-	29,530
Revision of previous quantity estimates	(62)	(6,675)	(341)
Changes in estimated future development costs	-	(1,087)	-
Sales and transfers of oil and gas produced	(6,033)	(8,849)	(11,264)
Previously estimated development cost incurred during the period	893	-	-
Accretion of discount	3,966	5,623	3,535
Net change in income taxes	386	5,716	(12,604)
Net change in exchange rate	3,844	(10,471)	(3,056)
	<u>\$ 5,069</u>	<u>\$(20,061)</u>	<u>\$24,100</u>

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 have been limited to the quantities of gas committed to specific contracts.

Reserves and Costs - Oil

At June 30, 1999, 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, 1999. 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.\$13,081,000, A.\$9,995,000 and A.\$9,236,000 in unrecouped capital expenditures at 1999, 1998 and 1997, respectively. The tax rate in computing Australian future income tax expense was 36%.

For financial statements purposes in fiscal 1987 and 1988, MPC wrote down its Canada cost center which included 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. Although the field is now producing, the Company has not yet classified its share of the Kotaneelee gas reserves as proved because the gas field is still the subject of litigation. The Company will reclassify the reserves at the Kotaneelee field as proved when there is greater assurance as to the timing and assumptions of the investment.

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, 1999:

<TABLE>
<CAPTION>

Americas			Australia		
1999	1998	1997	1999	1998	1997
-----	-----	-----	-----	-----	-----

Revenues:

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Oil sales	\$ 7	\$ 3	\$ -	\$ 2,566	\$ 4,095	\$ 6,740
Gas sales	-	-	-	9,640	10,485	11,552
Other production income	-	-	-	1,180	632	1,512
Total revenues	7	3	-	13,386	15,212	19,804
Costs:						
Production costs	14	5	-	4,358	3,642	4,811
Depletion, exploratory and dry hole costs	410	151	3,008	3,905	5,937	2,605
Total costs	424	156	3,008	8,263	9,579	7,416
Income (loss) before taxes and minority interest	(417)	(153)	(3,008)	5,123	5,633	12,388
Income tax provision (36%)	-	-	-	(1,844)	(2,028)	(4,460)
Income before minority interests	(417)	(153)	(3,008)	3,279	3,605	7,928
Minority interests*	177	74	1,327	(1,610)	(1,779)	(3,909)
Net income (loss) from Operations	\$ 240	\$ (79)	\$(1,681)	\$ 1,669	\$ 1,826	\$ 4,019
Depletion per unit of Production	-	-	-	A.\$2.73	A.\$2.30	A.\$1.86

</TABLE>

* Minority interests 49.1% in 1999, 49.3 % in 1998 and 1997

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, 1999, which will be filed with the Securities and Exchange Commission, which information is incorporated herein by reference. For information concerning Item 10 - Executive Officers of the Company, see Part I.

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	38
Consolidated balance sheets as of June 30, 1999 and 1998	39
Consolidated statements of income for each of the three years	

in the period ended June 30, 1999	40
Consolidated statements of changes in stockholders' equity for each of the three years in the period ended June 30, 1999	41
Consolidated statements of cash flows for each of the three years in the period ended June 30, 1999	42
Notes to consolidated financial statements	43-68
Supplementary oil and gas information (unaudited)	69-73

(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.

(3) Exhibits.

List of each management contract or compensatory or arrangement required to be filed as an exhibit pursuant to Item 14(c).

(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. is filed herein.

(b) Petroleum Lease No. 5 dated November 18, 1981

granted by the Northern Territory of Australia to Magellan Petroleum (N.T.) Pty. Ltd. is filed herein.

(c) Gas Sales Agreement between The Palm Valley Producers and The Northern Territory Electricity Commission dated November 11, 1981 is filed herein.

(d) Palm Valley Petroleum Lease (OL3) dated November 9, 1982 is filed herein.

(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 is filed herein.

(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 is filed herein.

(3) Copy of Modification to Agreement dated May 28, 1959 (see (e)(1) above), made as of January 31, 1961, is filed herein.

(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 is filed herein.

(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. is filed herein.

(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 are filed herein.

(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 are filed herein.

(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 are filed herein.

(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. are filed herein.

(k) Agreement between the Mereenie Producers and the Palm Valley Producers dated June 28, 1985 is filed herein.

(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 is filed herein.

(m) 1998 Stock Option Plan, filed as exhibit 4(a) to Form S-8 Registration Statement on January 14, 1999, is incorporated herein by reference.

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.

Consent of Ernst & Young LLP filed herein.

24. Power of attorney.

None.

27. Financial Data Schedule.

Filed herein (EDGAR filing only).

99. Additional Exhibits.

None.

(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

/s/ James R. Joyce
James R. Joyce, President

Dated: September 15, 1999

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.

/s/ Benjamin W. Heath Benjamin W. Heath Director	/s/ James R. Joyce James R. Joyce Director, President and Chief Executive Officer, Chief Financial and Accounting Officer
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Dated: September 15, 1999

Dated: September 15, 1999

/s/ Hedley Howard Hedley Howard Director	/s/ Walter McCann Walter McCann Director
--	--

Dated: September 15, 1999

Dated: September 15, 1999

/s/ Timothy L. Largay Timothy L. Largay Director	/s/ Ronald P. Pettirossi Ronald P. Pettirossi Director
--	--

Dated: September 15, 1999

Dated: September 15, 1999

INDEX TO EXHIBITS

Exhibit No.

10. (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.
- (b) Petroleum Lease No. 5 dated November 18, 1981 granted by the Northern Territory of Australia to Magellan Petroleum (N.T.) Pty. Ltd.

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- (d) Palm Valley Petroleum Lease (OL3) dated November 9, 1982
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 - (2) Copies of Supplementary Documents to May 28, 1959 Agreement (see (1) above), dated June 24, 1959, consisting of Guarantee by Home Oil Company Limited and Pipeline Promotion Agreement
 - (3) Copy of Modification to Agreement dated May 28, 1959 (see (1) above), made as of January 31, 1961
 - (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
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INDEX TO EXHIBITS (Cont'd)

Exhibit No.

- (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
- (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.
- (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.
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- (k) Agreement between the Mereenie Producers and the Palm Valley Producers dated June 28, 1985
- (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

- 21. Subsidiaries of the Registrant
- 23. Consent of Independent Auditors
- 27. Financial Data Schedule (EDGAR filing only)

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
---------	------------	--------	------------

Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

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4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

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(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

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6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

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8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

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(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

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4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

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(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

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6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

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8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

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(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

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4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

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(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

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6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

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8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made on this ____ day of _____, ____ between Magellan Petroleum Corporation, a Delaware corporation ("Corporation") and _____ ("Agent").

WITNESSETH:

WHEREAS, Agent is a director and/or officer of Corporation and in such capacity is performing a valuable service for Corporation; and

WHEREAS, Corporation's Certificate of Incorporation provides for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by the Delaware General Corporation Laws, as amended to date (the "State Statutes"); and

WHEREAS, the Certificate of Incorporation contemplates and requires that contracts be entered into between Corporation and its directors and officers with respect to the advance of expenses and indemnification; and

WHEREAS, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, Corporation desires to hold harmless and indemnify Agent to the full extent authorized or permitted by the provisions of the State Statutes, or by any amendment thereof or other statutory provisions authorizing or permitting such indemnification which may be adopted hereafter; and

WHEREAS, Corporation has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Agent to continue as a director of Corporation, and acknowledges that Agent is relying upon this Agreement in continuing in such capacity; and

WHEREAS, on August 19, 1987, Corporation's Board of Directors first authorized Corporation to enter into this Indemnification Agreement with Corporation's directors and/or officers; and

WHEREAS, on _____, _____, this agreement was entered into between Corporation and Agent; and

WHEREAS, since the execution of this Indemnification Agreement, Corporation has purchased additional D & O Insurance coverage and other events in the development of Corporation have occurred, and

WHEREAS, Corporation now seeks to confirm, update and restate this Indemnification Agreement.

NOW, THEREFORE, in consideration of Agent's continued service as a director and/or officer after the date hereof the parties hereto agree as follows:

1. Maintenance of Insurance and Self Insurance.

(a) Corporation represents that it presently has in force and effect policies of D & O Insurance in insurance companies and amounts as follows (the "Insurance Policies").

Insurer	Policy No.	Amount	Deductible
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Subject only to the provisions of Section 1(b) hereof, Corporation hereby agrees that, so long as Agent shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative by reason of the fact that Agent was a director of Corporation (or served in any of said other capacities), Corporation will purchase and maintain in effect for the benefit of Agent one or more valid, binding and enforceable policy or policies of D & O Insurance providing, in all respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 1(b) hereof, Corporation agrees to hold harmless and indemnify Agent to the full extent of the coverage which would otherwise have been provided for the benefit of Agent pursuant to the Insurance Policies.

2. Additional Indemnity. Subject only to the exclusions set forth in Section 3 hereof, Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent in connection with any threatened, pending or completed action, suit, claim, counterclaim or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation) to which Agent is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Agent is, was or at any time becomes a director or officer of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "other entity" or "another entity"). Each such indemnifiable event, subject to the limitations of Section 3 hereof, shall be hereinafter referred to as a "Claim."

(b) Otherwise to the fullest extent as may be provided to Agent by Corporation under the provisions of the Certificate of Incorporation and the By-Laws of Corporation and the State Statutes, as they now or hereafter may exist.

3. Limitations on Additional Indemnity. No indemnity pursuant to Section 2 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the sum of \$1,000 plus the amount of such losses for which the Agent is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) when Agent's claim for indemnification hereunder is by reason of the fact that Agent is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another entity, except to the extent Agent is not indemnified by such other entity, and to that extent only after Agent has used his best efforts to obtain

indemnification from the other entity.

(c) in respect to remuneration paid to Agent if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) on account of any suit in which judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provision of any federal, State or local law;

(e) on account of Agent's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(f) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

4. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Agent is a director or officer of Corporation (or is or was serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible Claim.

5. Notification and Defense of Claim. Promptly after receipt by Agent of notice of the commencement of any Claim, Agent shall, if indemnification or advance of expenses in respect thereof is to be sought from Corporation pursuant to this Agreement, give prompt and timely notification to Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such Claim as to which Agent promptly and timely notifies Corporation of the commencement thereof:

(a) Corporation shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified shall be entitled to assume the defense thereof, with counsel satisfactory to Agent. After notice from Corporation to Agent of its election so to assume the defense thereof, Corporation shall not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Agent shall have the right to employ counsel in such Claim but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by Corporation, (ii) Agent shall have reasonably concluded that there may be a conflict of interest between Corporation and Agent in the conduct of the defense of such Claim or (iii) Corporation shall not in fact have employed counsel to assume the defense of such Claim, in each of which cases the reasonable fees and expenses of Agent's counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any Claim brought by or on behalf of Corporation or as to which Agent shall have reached the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any Claim effected without its written consent. Corporation shall not settle any Claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent. Neither Corporation nor Agent shall unreasonably withhold their consent to any proposed settlement.

6. Advancement of Expenses. If Corporation does not assume Agent's

defense pursuant to the provisions of Section 5(b) hereof, then Corporation shall advance the expenses of Agent in accordance with the following terms and conditions:

Within 10 days after the receipt by Corporation from Agent of an invoice from his legal counsel representing a retainer or legal fees and expenses, or from another person or entity for expenses, actually incurred or expected to be actually incurred by Agent in connection with the defense or disposition of any Claim, including any appeals in connection therewith, Corporation shall promptly pay to Agent, or to such other person as Agent may instruct, the amount shown to be due on such invoice as an advance in advance of the disposition of such Claim. Any such invoice submitted by Agent shall be accompanied by a certificate signed by Agent to the effect that (i) he reasonably believes that the retainer or legal fees and expenses for which payment is sought are or would be indemnifiable pursuant to applicable laws and (ii) he will immediately use the funds so advanced by Corporation to pay such invoice.

7. **Obligation to Repay.** Agent shall repay to Corporation promptly any amounts paid by Corporation to Agent pursuant to this Agreement to the extent that it shall be ultimately determined that Agent is not entitled to be indemnified by Corporation pursuant to applicable law.

8. **Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason: (i) such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof, and (ii) such provision shall be deemed to be restated to the extent necessary so that it is valid and enforceable to the fullest extent permitted under applicable laws.

9. **Governing Law; Binding Effect; Amendment and Termination.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

(b) This Agreement shall be binding upon Agent and upon Corporation, its successors and assigns, and shall inure to the benefit of Agent, his heirs and personal representatives and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

10. **Specific Performance.** The parties hereto agree and acknowledge that money damages payable after the termination of any Claim would not be adequate compensation in the event of a breach by either party of its obligations under Section 6 hereof, and agree that the non-breaching party shall be entitled, in addition to any other remedy which such party may otherwise have at law or in equity, to injunctive or other equitable relief, including an order directing the other party to make such payments as may be required, in the event of the nonperformance of any of the obligations by the other party contained in Section 6 hereof. In the event that Corporation fails to perform any of its obligations under Section 6 hereof, Corporation shall pay in advance, in accordance with the procedures set forth in Section 6 hereof and subject to Agent's obligations set forth in Section 7 hereof, the expenses of Agent incurred in connection with seeking equitable or other relief from such failure by Corporation.

11. **Notices.** Notices or demands authorized by this Agreement to be given or made to or by Agent or Corporation shall be sufficiently given or made if delivered or if sent by first-class mail, postage prepaid, to such party at the respective address set forth below or, in each such case, to such other address as the addressee shall have given notice of in accordance with this Section 11:

If to Corporation:

Magellan Petroleum Corporation

149 Durham Road
Oak Park - Unit 31
Madison, CT 06443

Attn: President

with a copy to:

Timothy L. Largay, Esq.
Murtha, Cullina, Richter and Pinney LLP
CityPlace I, 185 Asylum Street
Hartford, Connecticut 06103

If to Agent:

12. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

13. Section Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14. Construction. In this Agreement, where the context so requires, words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing a particular gender or the neuter shall include the other gender and/or the neuter.

15. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior written or oral agreements between them in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

MAGELLAN PETROLEUM CORPORATION

By _____
Its

Agent

Subsidiaries of the Registrant

Subsidiary	State of Incorporation	Ownership
Magellan Petroleum Australia Limited	Queensland, Australia	50.9%

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%

Consent of Independent Auditors

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 15, 1999 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, 1999.

/s/ Ernst & Young LLP

Stamford, Connecticut
September 20, 1999

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