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

(Mark one)

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

For the quarterly period ended September 30, 1999

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

For the transition period from ________________ to ____________________

Commission file number 1-5507

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

|X| Yes |_| No

The number of shares outstanding of the issuer's single class of common stock as of November 3, 1999 was 25,108,226.

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

<TABLE>
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	September 30, 1999	June 30, 1999

	-------------	-----------
ASSETS	(unaudited)	
Current assets:		
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Cash and cash equivalents	$12,201,166	$13,380,699
Accounts receivable	1,781,777	676,710
Marketable securities	-	392,973
Reimbursable development costs	171,396	95,743
Inventories	293,465	215,953
Other assets	254,368	282,900
	-----------	-----------
Total current assets	14,702,172	15,044,978
	-----------	-----------
Marketable securities	2,221,607	1,709,455
	-----------	-----------
Property and equipment:		
Oil and gas properties (successful efforts method)	45,644,716	46,430,741
Land, buildings and equipment	1,744,768	1,822,094
Field equipment	1,341,462	1,373,326
	-----------	-----------
Total property and equipment	48,730,946	49,626,161
Less accumulated depletion, depreciation and amortization	(23,001,937)	(22,901,263)
	-----------	-----------
Net property and equipment	25,729,009	26,724,898
	-----------	-----------
Other assets	737,228	754,639
	-----------	-----------
Total assets	$43,390,016	$44,233,970
	===========	===========
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,003,979	$ 1,372,043
Accrued liabilities	683,472	780,570
Income taxes payable	117,378	120,150
	-----------	-----------
Total current liabilities	1,804,829	2,272,763
	-----------	-----------
Long term liabilities:		
Deferred income taxes	6,148,969	6,060,402
Reserve for future site restoration costs	866,065	849,311
	-----------	-----------
Total long term liabilities	7,015,034	6,909,713
	-----------	-----------
Minority interests	15,167,916	15,317,698
	-----------	-----------
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 50,000,000 shares		
Outstanding 25,108,226 shares	251,082	251,082
Capital in excess of par value	43,586,606	43,586,606
	-----------	-----------
Total capital	43,837,688	43,837,688
Accumulated deficit	(18,261,496)	(18,404,824)
Accumulated other comprehensive loss	(6,173,955)	(5,699,068)
	-----------	-----------
Total stockholders' equity	19,402,237	19,733,796
	-----------	-----------
Total liabilities, minority interests and stockholders' equity	$43,390,016	$44,233,970
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</TABLE>

MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

<TABLE>
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	Three months ended September 30, 1999	Three months ended September 30, 1998
<S>	<C>	<C>
Revenues:		
Oil sales	$ 812,258	$ 690,170
Gas sales	2,444,359	2,199,841
Other production related revenues	188,166	130,358
Interest income	184,921	179,811
	3,629,704	3,200,180
Costs and expenses:		
Production costs	964,999	1,075,893
Exploration and dry hole costs	280,074	1,058,426
Salaries and employee benefits	627,287	347,653
Depletion, depreciation and Amortization	633,696	519,671
Auditing, accounting and legal services	156,687	180,873
Shareholder communications	31,301	33,964
Other administrative expenses	236,890	181,620
	2,930,934	3,398,100
Income (loss) before income taxes and minority interests	698,770	(197,920)
Income tax provision (benefit)	227,688	(52,835)
Income (loss) before minority interests	471,082	(145,085)
Minority interests	(327,754)	28,217
Net (loss) income	$ 143,328	$ (173,302)
Average number of shares:		
Basic	25,108,226	25,019,995
Diluted	25,151,889	25,121,540
Net income (loss) per share (basic & diluted)	$.01	$(.01)

</TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

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	Number of shares	Common stock	Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive loss	Total	Comprehensive income (loss)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
July 1, 1999	25,108,226	$251,082	$43,586,606	$(18,404,824)	$(5,699,068)	$19,733,796	
Net income	-	-	-	$143,328	-	$143,328	$ 143,328
Currency translation adjustments	-	-	-	-	(474,887)	(474,887)	(474,887)
Comprehensive loss							$(331,559)

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September 30, 1999	25,108,226	$251,082	$43,586,606	$(18,261,496)	$(6,173,955)	$19,402,237
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MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

<TABLE>
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	Three months ended September 30, 1999	1998
Operating Activities:		
<S>	<C>	<C>
Net income (loss)	$ 143,328	$ (173,302)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	633,696	519,671
Deferred income taxes	85,795	(299,026)
Minority interests	327,754	28,217
Increase (decrease) in operating assets and liabilities:		
Accounts receivable	(933,218)	(451,649)
Reimbursable development costs	(55,398)	86,312
Other assets	63,353	79,867
Inventories	(38,886)	99,201
Accounts payable and accrued liabilities	(184,365)	1,502,064
Net cash provided by operating activities	42,059	1,391,355
Investing Activities:		
Marketable securities (purchased)	(119,179)	(780,103)
Net additions to property and equipment	(830,252)	(1,614,371)
Net cash used in investing activities	(949,431)	(2,394,474)
Financing Activities:		
Exercise of stock options	-	40,625
Net cash used in financing activities	-	40,625
Effect of exchange rate changes on cash and cash equivalents	(272,161)	(487,421)
Net decrease in cash and cash equivalents	(1,179,533)	(1,449,915)
Cash and cash equivalents at beginning of year	13,380,699	12,436,297
Cash and cash equivalents at end of period	$12,201,166	$10,986,382
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MAGELLAN PETROLEUM CORPORATION

PART I - FINANCIAL INFORMATION

September 30, 1999

Item 1. Financial Statements - Notes

The accompanying unaudited condensed consolidated financial statements include the Company's 50.98% owned subsidiary, Magellan Petroleum Australia Limited ("MPAL") and have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three month period ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ending June 30, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended June 30, 1999.

Segment Information - See Management's Discussion and Analysis of Financial Condition and Results of Operations

The condensed consolidated financial statements at September 30, 1999, and for the three month periods ended September 30, 1999 and 1998, have been reviewed in accordance with standards established by the American Institute of Certified Public Accountants, by independent accountants Ernst & Young LLP.

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

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

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

The Company has assessed its Year 2000 readiness and determined that it is compliant. 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 impact on the Company's operations or financial results.

September 30, 1999

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

Anderson Oil & Gas, Inc. ("Anderson"), the operator of the Kotaneelee gas field, has reported to the Company that development costs totaling approximately Cdn. $6.9 million, of which the Company's share is U.S. $124,000, remain to be recovered at July 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 March 31, 1999 were Cdn. $77,445,000 compared to the operator's reported amount of Cdn. $12,397,000 at the same date.

Anderson has notified the Company that it will not make any payments to the carried interest owners, including the Company, until the issue of the amount of recoverable costs under the carried interest account has been resolved by the Court. Anderson has stated that it will deposit the Company's share of net production proceeds in an interest bearing account with an escrow agent. The Company believes that such action by Anderson would be unlawful and intends to vigorously challenge Anderson's position in Court.

Previous projections by the operator indicated that the carried interest account might reach payout status prior to the end of 1999. However, there can be no assurances that payout status will be reached within that timeframe, inasmuch as there are uncertainties as to production levels, gas pricing, field operating expenses and additional capital expenditures. The timing of actual payout will be materially impacted by the outcome of the Kotaneelee litigation on this issue.

The Company's Annual Report on Form 10-K for the year ended June 30, 1999 should be read for a detailed discussion of the Kotaneelee litigation.

Liquidity and Capital Resources

Consolidated

At September, 1999, the Company on a consolidated basis had approximately $14.4 million in cash and securities.

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

A summary of the major changes in cash and cash equivalents during the three month period ended September 30, 1999 is as follows:

Cash and cash equivalents at beginning of period	$13,381,000
Cash provided by operations	42,000
Net additions to property and equipment	(830,000)
Purchase of marketable securities	(119,000)
Other	(273,000)

Cash and cash equivalents at end of period	$12,201,000
	============

As to MPC

At September 30, 1999, Magellan Petroleum Corporation ("MPC"), on an unconsolidated basis, had cash and securities of approximately $3.1 million. MPC's annual operating budget is approximately $700,000. During fiscal 2000, MPC has budgeted approximately $200,000 for oil and gas exploration compared to the $92,000 expended during fiscal 1999. MPC has in the past invested and may in the future invest substantial portions of its cash to maintain its majority interest in MPAL.

During November 1999, MPAL paid a dividend of A.$.05 per share. MPC's share of this dividend after withholding taxes was approximately $600,000, which was added to its working capital.

As to MPAL

At September 30, 1999, MPAL had cash and securities of approximately $11.3 million. MPAL has budgeted approximately $3.8 million for exploration in fiscal 2000 as compared to the $2 million expended during fiscal 1999. The current composition of MPAL's oil and gas reserves are such that the Company's future revenues in the long term are expected to be derived from the sale of gas in Australia.

Total comprehensive income (loss) during the three month periods ended September 30, 1999 and 1998 were as follows:

	Three months ended September 30, 1999	1998
Net income (loss)	$ 143,328	$(173,302)
Currency translation adjustments	(474,887)	(704,311)
Total comprehensive (loss)	$(331,559)	$(877,613)

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

Results of Operations

Three month period ended September 30, 1999 vs. September 30, 1998.

The Company had consolidated net income of $143,328 for the three month period ended September 30, 1999 compared to net loss of $173,302 for the comparable 1998 period. The components of consolidated net income for the comparable periods were as follows:

	Three month period ended September 30, 1999	1998
MPC unconsolidated pretax (loss)	$(197,525)	$(202,271)
Share of MPAL pretax income	456,927	2,204
Share of MPAL income tax provision	(116,074)	26,765
Consolidated net income (loss)	$ 143,328	$(173,302)
Net income (loss) per share (basic & diluted)	$.01	$(.01)

Revenues

Oil sales increased 18% in the current quarter to $812,000 from $690,000 in 1998 because of a 52% increase in oil prices and the 9% Australian foreign exchange rate increase discussed below which were partially offset by a 24% decrease in the number of units sold. Oil sales are expected to continue to decline unless additional development wells are drilled to maintain production levels. MPAL is dependent on the operator (65% control) of the Mereenie field to maintain production. Oil unit sales (before deducting royalties) in barrels ("bbls") and the average price per barrel sold during the periods indicated were as follows:

	1999 Sales bbls	1999 Sales Average price per bbl	1998 Sales bbls	1998 Sales Average price per bbl
Australia-Mereenie	49,095	A.$31.59	64,289	A.$20.83

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

Gas sales increased 11% to $2,444,000 in 1999 from $2,200,000 in 1998 primarily because of the 9% Australian foreign exchange rate increase discussed below and the price increases indicated below which were partially offset by a

3% decrease 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:

	Three month period ended September 30, 1999 Sales		1998 Sales	
	bcf	Average price per mcf (A.$)	bcf	Average price per mcf (A.$)
Australia:				
Palm Valley				
Alice Springs contract	.291	2.94	.285	2.97
Darwin contract	.574	2.02	.723	2.02
Mereenie:				
Darwin contact	.576	2.22	.526	1.99
Other	.292	2.95	.245	2.68
Total	1.733		1.779	

Other production related revenues increased 44% to $188,000 in 1999 from $130,000 in 1998. The primary reason for this increase was that MPAL's share of gas pipeline tariffs increased to $159,000 in 1999 from $99,000 in 1998.

Interest income increased 3% to $185,000 in 1999 from $180,000 in 1998.

Costs and Expenses

Production costs decreased 10% in 1999 to $965,000 from $1,076,000 in 1998. In the 1998 period, there was substantial remedial work performed on certain wells in the Mereenie field.

Exploration and dry hole costs totaled $280,000 in 1999 compared to $1,058,000 in 1998. In 1998, the Newhaven well in the Ngalia basin and the Springbok well offshore Western Australia were abandoned. The 1999 costs related primarily to the work being performed on MPAL's offshore Western Australia properties.

Salaries and employee benefits increased 80% from $348,000 in 1998 to $627,000 in 1999. During August 1999, MPAL's General Manager retired and received the balance of his unpaid salary of $228,000 under his employment contract. The Australian foreign exchange rate also increased 9% during the 1999 period.

Depletion, depreciation and amortization increased 22% from $520,000 in 1998 to $634,000 in 1999. Approximately 13% of the increase is attributable to the capital expenditures incurred in fiscal 1999 which are now being amortized and the balance is attributable to the 9% increase in the Australian exchange rate discussed below.

Auditing, accounting and legal expenses decreased 13% from $181,000 in 1998 to $157,000 in 1999. During the 1998 period, MPAL had incurred additional legal and tax fees in connection with an unsuccessful bid to acquire certain oil and gas properties in Australia.

Shareholder communications decreased 8% from $34,000 in 1998 to $31,000 in 1999.

Other administrative expenses increased 30% from $182,000 in 1998 to $237,000 in 1999. During 1998, MPAL was able to charge a greater amount of its overhead to its joint venture partners than during the 1999 period. In addition, the 9% Australian foreign exchange rate difference contributed to the increase in 1999.

Income Taxes

Income tax expense increased from a $53,000 tax benefit in 1998 to a $228,000 tax expense in 1999. The effective income tax rate was 33% for the 1999 period. In the 1998 period, MPAL's reduced income resulted in a $53,000 tax benefit. The components of tax income expense between MPC and MPAL were as follows:

	1999	1998
MPC	$ -	$ -
MPAL	228,000	(53,000)
Consolidated	$228,000	$(53,000)

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to $.6521 at September 30, 1999 compared to a value of $.6675 at June 30, 1999. This resulted in a $475,000 charge to the foreign currency translation adjustments account for the three month period ended September 30, 1999. The 2% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance sheet at September 30, 1999 from the June 30, 1999 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.6501 for the quarter ended September 30, 1999, which is a 9% increase compared to the $.5989 rate for the quarter ended September 30, 1998.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have any significant exposure to market risk as the only market risk sensitive instruments are its investments in marketable securities. At September 30, 1999, the carrying value of such investments was approximately $2.2 million, which approximates the fair value of the securities. Since the Company expects to hold the investments to maturity, the maturity value should be realized. During the three month period ended September 30, 1999, the value of the Australian dollar relative to the U.S. dollar decreased 2% and reduced the reported asset amounts at September 30, 1999 from the June 30, 1999 amounts.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

September 30, 1999

Item 5. Other Information

Effective January 17, 2000, MPAL will withdraw from the TP/12 & EP-398 venture in the Carnarvon Basin offshore Western Australia. There will be no financial impact as a result of this action since all the costs of this project have been previously written off.

On November 8, 1999, MPAL announced an agreement by which the Mereenie producers (MPAL 35%) will sell approximately 5 Bcf of gas over a three year period to N.T. Power Generation. The Mereenie gas will be used for power generation at the Yimuyn Manjerr Gold Mine in the Northern Territory of Australia.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

On September 10, 1999, the Company filed a Current Report on Form 8-K to report that the Annual Meeting of Stockholders will be held on Thursday, December 2, 1999 at 1:00 p.m. at the Hyatt Regency Orlando International Hotel, 9300 Airport Boulevard, Orlando, Florida 32827.

On August 16, 1999, the Company filed a Current Report on Form 8-K to report that Mr. Dennis D. Benbow resigned as a director of the Company and as General Manager of MPAL effective August 13, 1999. The Company also reported that Mr. Hedley Howard was appointed a director of the Company and General Manager of MPAL to replace Mr. Benbow.

SIGNATURES

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

MAGELLAN PETROLEUM CORPORATION
Registrant

Date: November 10, 1999 By /s/ James R. Joyce
James R. Joyce, President and
Chief Financial and Accounting Officer

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