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, 2004

[ ] 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.)
10 Columbus Boulevard, Hartford, Connecticut	06106
(Address of principal executive offices)	(Zip Code)

(860) 293-2006
- --
(Registrant's telephone number, including area code)

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

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

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

The number of shares outstanding of the issuer's single class of common stock as of November 15, 2004 was 25,783,243.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

SEPTEMBER 30, 2004

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

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	September 30, 2004 (unaudited)	June 30, 2004 (Note)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,641,864	$ 20,406,620
Accounts receivable-Trade	3,946,620	2,931,609
Accounts receivable-Working Interest Partners	742,422	1,044,619
Marketable securities	2,737,849	2,584,296
Inventories	495,751	595,948
Other assets	275,620	318,141
Total current assets	26,840,126	27,881,233
Marketable securities	591,597	592,138
Property and equipment:		
Oil and gas properties (successful efforts method)	72,750,687	69,970,134
Land, buildings and equipment	2,340,373	2,264,004
Field equipment	1,519,743	1,482,639
	76,610,803	73,716,777
Less accumulated depletion, depreciation and amortization	(51,981,773)	(49,295,770)
Net property and equipment	24,629,030	24,421,007
Total assets	$ 52,060,753	$ 52,894,378

LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,718,574	$ 4,367,305
Accrued liabilities	1,478,582	1,550,045
Income taxes payable	58,487	267,645
Total current liabilities	4,255,643	6,184,995
Long term liabilities:		
Deferred income taxes	408,661	403,261
Asset retirement obligations	5,065,130	4,852,416
Total long term liabilities	5,473,791	5,255,677
Minority interests	17,107,915	16,533,491
Commitments		
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 shares		
Outstanding 25,783,243 and 25,783,243 shares	257,832	257,832
Capital in excess of par value	44,402,182	44,402,182
Total capital	44,660,014	44,660,014
Accumulated deficit	(15,549,805)	(15,248,422)
Accumulated other comprehensive loss	(3,886,805)	(4,491,377)
Total stockholders' equity	25,223,404	24,920,215
Total liabilities, minority interests and stockholders' equity	$ 52,060,753	$ 52,894,378

</TABLE>

Note: The balance sheet at June 30, 2004 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

<TABLE>
<CAPTION>

	Three months ended September 30,	
	2004	2003
<S>	<C>	<C>
REVENUES:		
Oil sales	$ 1,910,847	$ 1,093,102
Gas sales	2,366,807	3,830,499
Other production related revenues	299,787	472,906
Total revenues	4,577,441	5,396,507
COSTS AND EXPENSES:		
Production costs	1,527,790	1,299,055
Exploration and dry hole costs	1,118,460	566,199
Salaries and employee benefits	670,140	562,955
Depletion, depreciation and amortization	1,400,658	1,077,959
Auditing, accounting and legal services	180,835	141,409

Accretion expense	94,370	81,873
Shareholder communications	43,511	32,765
Other administrative expenses	101,393	137,774
Total costs and expenses	5,137,157	3,899,989
Operating income (loss)	(559,716)	1,496,518
Interest income	355,652	335,412
Income (loss) before income taxes and minority interests	(204,064)	1,831,930
Income tax provision	5,334	410,742
Income (loss) before minority interests	(209,398)	1,421,188
Minority interests	(86,124)	(353,902)
Net income	$ (295,522)	$ 1,067,286
Average number of shares:		
Basic	25,783,243	25,077,376
Diluted	25,783,243	25,091,900
Income (loss) per share (basic and diluted)		
Net income (loss)	$ (.01)	$ .04

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Three months ended September 30,	
	2004	2003
<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net income (loss)	$ (295,522)	$ 1,067,286
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,400,658	1,077,959
Accretion expense	94,370	81,873
Deferred income taxes	(4,753)	-
Minority interests	86,124	353,902
Exploration and dry hole costs	1,118,460	566,199
Increase (decrease) in operating assets and liabilities:		
Accounts and notes receivable	(608,187)	(1,401,333)
Other assets	42,520	12,662
Inventories	113,864	(104,064)
Accounts payable and accrued liabilities	(1,844,355)	(416,988)
Income taxes payable	(210,896)	(16,317)
Net cash (used in) provided by operating activities	(107,717)	1,221,179
INVESTING ACTIVITIES:		
Additions to property and equipment	(857,094)	(2,123,928)
Oil and gas exploration activities	(1,118,460)	(566,199)

Marketable securities matured	1,597,637	997,528
Marketable securities purchased	(1,750,649)	(1,221,340)
Net cash used in investing activities	(2,128,566)	(2,913,939)
FINANCING ACTIVITIES:		
Net cash used in financing activities	-	-
Effect of exchange rate changes on cash and cash equivalents	471,527	219,877
Net increase (decrease) in cash and cash equivalents	(1,764,756)	(1,472,883)
Cash and cash equivalents at beginning of year	20,406,620	20,041,464
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 18,641,864	$ 18,568,581

</TABLE>

See accompanying notes.

ITEM 1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

Magellan Petroleum Corporation (the Company or MPC) is engaged in the sale of oil and gas and the exploration for and development of oil and gas reserves. At September 30, 2004, MPC's principal asset was a 55% equity interest in its subsidiary, Magellan Petroleum Australia Limited (MPAL), which has one class of stock that is publicly held and traded in Australia. MPAL's major assets are two petroleum production leases covering the Mereenie oil and gas field (35% working interest) and one petroleum production lease covering the Palm Valley gas field (52% working interest). Both fields are located in the Amadeus Basin in the Northern Territory of Australia. MPC has a direct 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory of Canada.

The accompanying unaudited consolidated financial statements include the accounts of MPC and MPAL and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three month period ended September 30, 2004 are not necessarily indicative of the results that may be expected for the year ending June 30, 2005. 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, 2004. All amounts presented are in United States dollars, unless otherwise noted.

Certain reclassifications have been made to previously disclosed amounts to conform to current period reporting.

Note 2. Kotaneelee Litigation

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

<TABLE>

<S>	<C>
Gas sales	$ 1,135,000
Interest income	102,000
Canadian withholding taxes	(386,000)

Total	$ 851,000
	===========

</TABLE>

Note 3. Capital and stock options

The Company through its stock repurchase plan may purchase up to one million shares of its common stock in the open market. Through June 30, 2003, the Company had purchased 680,850 of its shares at a cost of approximately $686,000, all of which shares have been cancelled. No shares were repurchased during the three months ended September 30, 2004 or for the fiscal year ended June 30, 2004.

On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. The exchange was completed on September 2, 2003. The fair value of the 1,300,000 shares on July 10, 2003 was $1,508,000, based on the closing price of the Company's common stock on the Nasdaq SmallCap market on that date.

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations in accounting for its stock options because the alternative fair value accounting provided under FASB Statement No. 123, "Accounting for Stock Based Compensation," as amended by SFAS 148 "Accounting for Stock-based Compensation - Transition and Disclosure" requires use of option valuation models to value stock options. Under APB No. 25, because the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

<TABLE>
<CAPTION>

OPTIONS OUTSTANDING	EXPIRATION DATES	NUMBER OF SHARES	EXERCISE PRICES ($)
<S>	<C>	<C>	<C>
June 30, 2002		871,000	1.28-1.57
Granted	Jan. 2008	50,000	.85

June 30, 2003		921,000	.85-1.57
Expired		(126,000)	1.57
Cancelled		(25,000)	.85
Exercised		(175,000)	.85-1.28

June 30, 2004		595,000	1.28
Granted	July 1, 2014	30,000	1.45

September 30, 2004		625,000	($1.29 weighted average)
		========	

</TABLE>

SUMMARY OF OPTIONS OUTSTANDING AT SEPTEMBER 30, 2004

<TABLE>
<CAPTION>

	EXPIRATION DATES	TOTAL	VESTED	EXERCISE PRICES ($)
<S>	<C>	<C>	<C>	<C>
Granted 2000	Feb. 2005	595,000	595,000	1.28
Granted 2004				

Total	July 2014	30,000	-	1.45
		625,000	595,000	
OPTIONS RESERVED FOR FUTURE GRANTS			175,000	

</TABLE>

On October 20, 2003, options to purchase 126,000 shares of the Company's common stock expired without being exercised. On December 31, 2003, unvested options to purchase 25,000 shares of the Company's common stock were cancelled when the terms of the grant were not satisfied. On March 8, 2004, 175,000 options to purchase shares of common stock were exercised in a cashless exercise that resulted in 55,867 shares being issued.

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The assumptions used in the 2004 valuation model were: risk free interest rate - 4.95%, expected life - 10 years, expected volatility - .518, expected dividend - 0. These options will vest ratably over three years.

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

<TABLE>
<CAPTION>

<S>	Three months ended September 30, 2004 <C>	<C>	Three months ended September 30, 2003 <C>	<C>
Net income (loss) as reported	$ (295,522)	$ (.01)	$ 1,067,286	$ .04
Stock option expense	(4,500)	-	(1,500)	-
Pro forma net (loss) income	$ (300,022)	$ (.01)	$ 1,065,786	$ .04

</TABLE>

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

The operator of the Mereenie field has implemented an extensive program for additional drilling and capital improvements to meet gas sales' contract requirements. During 2004, the Mereenie Producers installed additional compression equipment in the field at a cost of $13.1 million (MPAL share $4.6 million) designed to increase field deliverability and partially meet certain gas contract requirements. During October 2004, one of two gas wells necessary to improve field deliverability and meet gas contractual requirements through 2009 was drilled. The second well will be drilled later in the fiscal year.

Note 5. Comprehensive income (loss)

Total comprehensive income (loss) during the three month periods ended September 30, 2004 and 2003 is as follows:

	Three months ended	Accumulated other comprehensive

	September 30,		loss
	2004	2003	
Balance at June 30, 2004			$(4,491,377)
Net income (loss)	$ (295,522)	$ 1,067,286	
Foreign currency translation adjustments	604,572	241,837	604,572
Total comprehensive income	$ 309,050	$ 1,309,123	
Balance at September 30, 2004			$(3,886,805)

Note 6. Investment in MPAL

During the quarter ended September 30, 2004, MPC invested $29,466 in 31,606 shares of MPAL. This increased MPC's interest in MPAL from 55.06% to 55.13%. The difference between the acquisition cost of the MPAL shares and the book value of the additional MPAL interest acquired was allocated to oil and gas properties.

Note 7. Earnings per share

Earnings per common share are based upon the weighted average number of common and common equivalent shares outstanding during the period. The Company's basic and diluted calculations of EPS are the same for the three month period ended September 30, 2004 because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive. For the three months ended September 30, 2004, the potential dilution items were 625,000 options on Company shares issued to employees and directors at an average price of $1.29 per share.

Note 8. Segment Information

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

<TABLE>
<CAPTION>

	Three months ended September 30,	
	2004	2003
<S>	<C>	<C>
Revenues:		
MPC	$ 40	$ 1,234
MPAL	4,537	4,162
Total consolidated revenues	$ 4,577	$ 5,396
Net income (loss):		
MPC	$ (351)	$ 635
MPAL	55	432
Consolidated net income (loss)	$ (296)	$ 1,067

</TABLE>

Note 9. Exploration and Dry Hole Costs

The 2004 and 2003 costs related primarily to the exploration work being performed on MPAL's properties. The dry holes were drilled on MPAL properties in Australia and New Zealand. During the 2004 quarter, the Company incurred $394,000 in costs for a dry hole in the Cooper Basin in South Australia.

Note 10. Asset Retirement Obligations

A reconciliation of the Company's asset retirement obligations for the three months ended September 30, 2004, is as follows:

Balance at July 1, 2004	$4,852,000
Liabilities incurred	
Liabilities settled	-
Accretion expense	94,000
Revisions to estimate	-
Exchange effect	119,000
Balance at September 30, 2004	$5,065,000

Note 11. Pension plan costs

On August 31, 2004, the MPAL board formally terminated its defined benefit plan. The termination was effective as of June 30, 2004 and a settlement and curtailment loss of $1,237,425

was recognized during the fourth quarter of 2004. The final termination payment was $256,190. Therefore, there were no pension costs during the three months ended September 30, 2004. Pension costs for the three months ended September 30, 2003 were approximately $ 37,000.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

Statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations which are not historical in nature are intended to be, and are hereby identified as, forward looking statements for purposes of the "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. The Company cautions readers that forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward looking statements. Among these risks and uncertainties are pricing and production levels from the properties in which the Company has interests, and the extent of the recoverable reserves at those properties. In addition, the Company has a large number of exploration permits and faces the risk that any wells drilled may fail to encounter hydrocarbons in commercially recoverable quantities. The Company undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

CRITICAL ACCOUNTING POLICIES

Oil and Gas Properties

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

Exploratory drilling costs are initially capitalized pending determination of proved reserves but are charged to expense if no proved reserves are found. Other exploration costs, including geological and geophysical expenses, leasehold expiration costs and delay rentals, are expensed as incurred. Because the Company follows the successful efforts method of accounting, the results of operations may vary materially from quarter to quarter. An active exploration program may result in greater exploration and dry hole costs.

Asset Retirement Obligations

Effective July 1, 2002, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") 143, "Accounting for Asset Retirement Obligations." SFAS 143 requires legal obligations associated with the retirement of long-lived assets to be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost is capitalized as part of the related long-lived asset (oil & gas properties) and amortized on a units-of-production basis over the life of the related reserves. Accretion expense in connection with the discounted liability is recognized over the remaining life of the related reserves. See Note 2 to the consolidated financial statements regarding the cumulative effect of the accounting change and its effect on net income.

The estimated liability is based on the future estimated cost of land reclamation, plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley, Mereenie, Kotaneelee, Nockatunga and Dingo fields. The liability is a discounted liability using a credit-adjusted risk-free rate on the date such liabilities are determined. A market risk premium was excluded from the estimate of asset retirement obligations because the amount was not capable of being estimated. Revisions to the liability could occur due to changes in the estimates of these costs, acquisition of additional properties and as new wells are drilled.

Estimates of future asset retirement obligations include significant management judgment and are based on projected future retirement costs. Such costs could differ significantly when they are incurred.

Revenue Recognition

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

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are particularly sensitive in the calculation of proven reserves, depletion, depreciation and amortization and the amount of the Company's asset retirement obligations. Actual results could differ from those estimates.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated

At September 30, 2004, the Company on a consolidated basis had approximately $18.6 million of cash and cash equivalents and $3.3 million of marketable securities.

Net cash used in operations was $108,000 in 2004 compared to cash provided by operations of $1,221,000 in 2003. The decrease in cash provided by operations is primarily related to the absence in 2004 of cash received from the Kotaneelee settlement, lower MPAL net income and payment of 2003 payables in 2004 related to the Palm Valley drilling program.

During 2004, the Company had net investments in marketable securities of $153,000 compared to $224,000 in 2003. The decrease in investments was the result of less cash provided by operations mentioned above.

The Company invested $1,976,000 and $2,690,000 in oil and gas exploration activities during 2004 and 2003, respectively. The net decrease resulted from less investments in the Mereenie and Palm Valley fields in 2004 versus 2003. In addition, the Company purchased the Nockatunga oil field in 2003. The Company continues to invest in exploratory projects that result in exploratory and dry hole expenses in the consolidated financial statements.

Effect of exchange rate changes

The value of the Australian dollar relative to the U.S. dollar increased 2.5% to $.7168 at September 30, 2004, compared to a value of $.6993 at June 30, 2004.

As to MPC

At September 30, 2004, MPC, on an unconsolidated basis, had working capital of approximately $3.3 million. MPC's current cash position and its annual MPAL dividend should be adequate to meet its current cash requirements. MPC has in the past invested and may in the future invest substantial portions of its cash to maintain or increase its majority ownership interest in its subsidiary.

During November 2004, MPC received a dividend of approximately $975,000 from MPAL.

MPC through its stock repurchase plan may purchase up to one million shares of its common stock in the open market. Through September 30, 2004, MPC had purchased 680,850 of its shares at a cost of approximately $686,000, all of which shares have been cancelled. No purchases of shares under the repurchase plan were made by MPC during the three months ended September 30, 2004.

As to MPAL

At September 30, 2004, MPAL had working capital of approximately $19.5 million. MPAL has budgeted approximately $4 million for specific exploration projects in fiscal year 2005 as compared to the $5 million expended during fiscal 2004. However, the total amount to be expended may vary depending on when various projects reach the drilling phase. MPAL's future revenues are expected to be derived from the sale of gas in Australia, based on its current composition of oil and gas reserves. MPAL's current contracts for the sale of Palm Valley and Mereenie gas will expire during fiscal year 2009. Unless MPAL is able to obtain additional contracts for its remaining gas reserves or be successful in its current exploration program, its revenues will be materially reduced after 2009.

OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

We do not use off-balance sheet arrangements such as securitization of receivables with any unconsolidated entities or other parties. The Company does not engage in trading or risk management activities and does not have material transactions involving related parties. The following is a summary of our consolidated contractual obligations:

<TABLE>
<CAPTION>

	Payments Due by Period				
Contractual Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
<S>	<C>	<C>	<C>	<C>	<C>
Operating Lease Obligations	858,000	163,000	347,000	348,000	-
Purchase Obligations(1)	4,496,000	4,102,000	394,000	-	-
Asset Retirement Obligations	5,065,000	35,000	157,000	4,873,000	-
Total	$10,419,000	$ 4,300,000	$ 898,000	$ 5,221,000	-

</TABLE>

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(1) Represents firm commitments for exploration and capital expenditures. Exploration contingent expenditures of $36,419,000 which are not legally binding have been excluded from the table above and, based on exploration decisions, would be due as follows: $17,195, 000 (less than 1 year), $16,649,000 (1-3 years), $2,575,000 (3-5 years).

MPAL expects to fund its exploration costs through its cash and cash equivalents and cash flow from Australian operations. MPAL also expects that it will seek partners to share the above exploration costs. If MPAL's effort to find partners is unsuccessful, it may be unable or unwilling to complete the exploration program for some of its properties. In addition to the expenditures discussed above, the operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements to meet gas sales' contract requirements. During October 2004, one of two gas wells necessary to meet gas contractual requirements through 2009 was drilled. The second well will be drilled later in fiscal 2005.

THREE MONTHS ENDED SEPTEMBER 30, 2004 VS. SEPTEMBER 30, 2003

REVENUES

OIL SALES INCREASED 75% in the 2004 quarter to $1,911,000 from $1,093,000 in 2003 because of the 8% Australian foreign exchange rate increase discussed below, increased volumes sold and a 63% increase in the average sales price per barrel. Oil unit sales (after deducting royalties) in barrels (bbls) and the average price per barrel sold during the periods indicated were as follows:

<TABLE>
<CAPTION>
Three months ended September 30,

	2004 Sales Bbls	2004 Sales Average price A.$ per bbl	2003 Sales Bbls	2003 Sales Average price A.$ per bbl
Australia:				
Mereenie field	31,999	66.52	28,287	40.67
Cooper Basin	1,110	56.44	2,592	34.57
Nockatunga project	6,766	55.03	7,234	36.72
Total	39,875	64.37	38,113	39.54

</TABLE>

GAS SALES DECREASED 38% to $2,367,000 in 2004 from $3,830,000 in 2003. The decrease was the result of the one time proceeds of $1,135,000 from the Kotaneelee gas field settlement recorded in 2003, the decrease in volume and the decrease in the average price per mcf sold. This was partially offset by the 8% Australian foreign exchange rate increase discussed below. Due to a well being drilled in the Kotaneelee gas field in which MPC has a carried interest, MPC will not receive any revenue from this field until its share of the drilling cost is absorbed.

<TABLE>
<CAPTION>

Three months ended September 30,

	2004	2003
Australia	$2,327,000	$2,596,000
Canada-recurring	40,000	99,000
Canada-settlement		1,135,000
Total	$2,367,000	$3,830,000

</TABLE>

During the 2004 period, the volume of gas sold in Australia decreased 12%, and the average price of gas sold decreased 2%. The volumes in billion cubic feet (bcf) (after deducting royalties) and the average price of gas per thousand cubic feet (mcf) sold during the periods indicated were as follows:

<TABLE>
<CAPTION>

Three months ended September 30,

	2004 Sales bcf	2004 Sales A.$ average price per mcf	2003 Sales bcf	2003 Sales A.$ average price per mcf
Australia: Palm Valley	.542	2.14	.612	2.17
Australia: Mereenie	.726	2.70	.830	2.79
Total	1.268	2.46	1.442	2.52

</TABLE>

OTHER PRODUCTION RELATED REVENUES DECREASED 37% to $300,000 in 2004 from $473,000 in 2003. Other production related revenues are primarily MPAL's share of gas pipeline tariff revenues. The revenue decrease was due to lower sales volume from the Mereenie field in 2004.

INTEREST INCOME INCREASED 6% to $356,000 in 2004 from $335,000 in 2003 primarily because of the 8% Australian foreign exchange rate increase discussed below.

COSTS AND EXPENSES

PRODUCTION COSTS INCREASED 18% IN 2004 to $1,528,000 from $1,299,000 in 2003. The increase in 2004 was primarily the 8% Australian foreign exchange rate increase discussed below and increased salary costs related to the Mereenie field project.

EXPLORATION AND DRY HOLE COSTS INCREASED 98% to $1,118,000 in 2004 from $566,000 in 2003. These costs related to the exploration work performed on MPAL's properties. The primary reasons for the increase in 2004 were seismic work performed on the Nockatunga project ($284,000) and costs related to a dry hole in the Cooper Basin in South Australia ($394,000). Also contributing to this increase was the 8% Australian foreign exchange rate increase discussed below. These costs were partially offset by less costs incurred in 2004 on properties in New Zealand.

SALARIES AND EMPLOYEE BENEFITS INCREASED 19% to $670,000 in 2004 from $563,000 in 2003. During the 2004 period, there was an 8% increase in the Australian foreign exchange rate discussed below. In addition, there were also regular annual increases in salaries.

DEPLETION, DEPRECIATION AND AMORTIZATION INCREASED 30% from $1,078,000 in 2003 to $1,401,000 in 2004. During the 2004 period, there was a 8% increase in the Australian foreign exchange rate as discussed below. Depletion expense for the Palm Valley and Mereenie fields increased $169,000 during the period primarily because of the increased depletion rate for 2004 due to lower reserves. In addition, depletion increased by $119,000 in the 2004 period for the Nockatunga project and the Cooper Basin.

AUDITING, ACCOUNTING AND LEGAL EXPENSES INCREASED 28% IN 2004 to $181,000 from $141,000 in 2003 primarily because of the 8% Australian foreign exchange rate increase discussed below and because of the increased statutory requirements applicable to public companies.

ACCRETION EXPENSE INCREASED 15% IN THE 2004 PERIOD from $82,000 in 2003 to $94,000 in 2004. Accretion expense represents the accretion on the asset retirement obligations (ARO) under SFAS 143 that was adopted effective July 1, 2002. The increase in the 2004 period is primarily the 8% increase in the Australian foreign exchange rate discussed below and the increased rate used for the Palm Valley and Mereenie fields.

SHAREHOLDER COMMUNICATIONS COSTS INCREASED 33% from $33,000 in 2003 to $44,000 in 2004 primarily because of MPC and MPAL's increased costs related to their status as public companies.

OTHER ADMINISTRATIVE EXPENSES DECREASED 27% from $138,000 in 2003 to $101,000 in 2004. During the 2004 period, there was a 8% increase in the Australian foreign exchange rate discussed below. This increase was offset by increases in overhead charges that MPAL as operator was able to charge its partners.

INCOME TAXES

INCOME TAX PROVISION DECREASED IN 2004 to a tax provision of $5,000 from a tax provision of $411,000 in 2003 because of lower book taxable income in 2004. The components of the income tax (in thousands) between MPC and MPAL are as follows:

<TABLE>
<CAPTION>

	2004	2003

<S> <C> <C>

Income(loss) before income taxes and minority interests	$ (204)	$ 1,832
MPC's non Australian loss (income) (a)	391	(1,045)
Permanent differences-Australia	(203)	(323)
Book taxable income (loss)-Australia	$ (16)	$ 464
Australian tax rate	30%	30%
Australian income tax (benefit) provision	(5)	$ 139
Tax benefit of MPAL losses	(139)	
MPC income tax provision (a)	10	411
Income tax provision	$ 5	$ 411
Current income tax provision	$ 10	$ 411
Deferred income tax (benefit) provision	(5)	-
Income tax provision	$ 5	$ 411
Effective tax rate		22%

</TABLE>

(a) MPC did not recognize a deferred tax for its non Australian income tax losses during the quarter, as it is not likely that such deferred assets will be realized.

EXCHANGE EFFECT

THE VALUE OF THE AUSTRALIAN DOLLAR RELATIVE TO THE U.S. DOLLAR INCREASED TO $.7168 AT SEPTEMBER 30, 2004 compared to a value of $.6993 at June 30, 2004. This resulted in a $605,000 credit to the foreign currency translation adjustments account for the three months ended September 30, 2004. The average exchange rate used to translate MPAL's operations in Australia was $.7097 for the quarter ended September 30, 2004, which was an 8% increase compared to the $.6588 rate for the quarter ended September 30, 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company does not have any significant exposure to market risk, other than as previously discussed regarding foreign currency risk and the risk of fluctuations in the world price of crude oil, as the only market risk sensitive instruments are its investments in marketable securities. For the three month period ended September 30, 2004, oil sales represented approximately 45% of production revenues, therefore, an increase in the world price of crude oil would only have a positive impact on the Company's earnings, while a decrease in crude oil prices would have a similar negative impact on earnings. Gas sales, which represented approximately

55% of production revenues in 2004, are derived primarily from the Palm Valley and Mereenie fields in the Northern Territory of Australia and the gas prices are set according to long term contracts that are subject to changes in the Australian Consumer Price Index (ACPI). Accordingly, the price of gas will increase or decrease consistent with movement in the ACPI. At September 30, 2004, the carrying value of our investments in marketable securities including those classified as cash and cash equivalents was approximately $22 million, which approximates the fair value of the securities. Since the Company expects to hold the investments to maturity, the maturity value should be realized.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including Daniel J. Samela, the Company's President, Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities and Exchange Act of 1934) as of September 30, 2004. Based on this evaluation, the Company's President concluded that the Company's disclosure controls and procedures were effective such that the material information required to be included in the Company's SEC reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including its consolidated subsidiaries, and was made known to him by others within those entities, particularly during the period when this report was being prepared.

Internal Control Over Financial Reporting.

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

ITEM 1 LEGAL PROCEEDINGS

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

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following schedule sets forth the number of shares that the Company has repurchased under any of its repurchase plans for the stated periods, the cost per share of such repurchases and the number of shares that may yet be repurchased under the plans:

<TABLE>
<CAPTION>

PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLAN (1)	MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER PLAN
<S>	<C>	<C>	<C>	<C>
July 1-31, 2004	0	0	0	319,150
Aug. 1-31, 2004	0	0	0	319,150
Sept. 1- 30, 2004	0	0	0	319,150

</TABLE>

(1) The Company through its stock repurchase plan may purchase up to one million shares of its common stock in the open market. Through September 30, 2004, the Company had purchased 680,850 of its shares at an average price of $1.01 per share or a total cost of approximately $686,000, all of which shares have been cancelled.

ITEM 6. EXHIBITS

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

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

32. Section 1350 Certifications.

    Certification of Daniel J. Samela, President, Chief Executive Officer and Chief Financial and Accounting Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is furnished herein.

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 19, 2004 By /s/ Daniel J. Samela

Daniel J. Samela, President and Chief Executive Officer, Chief Financial and Accounting Officer

EXHIBIT 31

RULE 13A-14(A) CERTIFICATIONS

I, Daniel J. Samela, certify that:

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

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

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

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

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

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

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

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

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

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

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

Dated: November 19, 2004 /s/ Daniel J. Samela

Daniel J. Samela
President and Chief Executive Officer,
Chief Financial and Accounting Officer

EXHIBIT 32

SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report of Magellan Petroleum Corporation (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel J. Samela, President, Chief Executive Officer and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

November 19, 2004 By: /s/ Daniel J. Samela

Daniel J. Samela
President and Chief Executive Officer,
Chief Financial and Accounting Officer