
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): Sept. 13, 2006 (Sept.13, 2006)

Magellan Petroleum Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-5507

(Commission File Number)

06-0842255

(IRS Employer Identification No.)

10 Columbus Boulevard, Hartford, CT

(Address of Principal Executive Offices)

06106

(Zip Code)

860-293-2006

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On September 13, 2006, Magellan Petroleum Corporation (the “Company”) filed with the Australian Securities and Investments Commission and the Australian Stock Exchange (“ASX”) in Australia a release and a report of preliminary, unaudited financial information with respect to the fiscal year ended June 30, 2006 on Appendix 4E, in accordance with ASX rules and regulations.

Copies of the Company’s release and Appendix 4E report dated September 13, 2006 are furnished herewith as Exhibit 99.1 and are hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

The following documents are furnished together as an Exhibit pursuant to Item 2.02 hereof:

(c) Exhibits

99.1 Company release and attached Appendix 4E filing of the Company, dated September 13, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MAGELLAN PETROLEUM CORPORATION

By: /s/ Daniel J. Samela

Name: Daniel J. Samela

Title: President, Chief Executive Officer Officer

Dated: September 13, 2006

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
99.1	Company release and attached Appendix 4E filing of the Company, dated September 13, 2006.	5



MAGELLAN PETROLEUM CORPORATION
ARBN 117 452 454

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MAGELLAN PETROLEUM CORPORATION PROFIT REPORT
For the Year Ended June 30, 2006
(Dollars quoted are US\$)

Magellan Petroleum Corporation recorded net income of \$749,000 for the year ended June 30, 2006, compared to \$87,000 for the previous fiscal year.

Revenues are up for the year by \$4.7 million or 21.5%.

Oil sales increased approximately \$3 million due to an increase in sales volume and prices. Volume in the Cooper Basin and Nockatunga increased by 22,853 barrels, which was offset by a decrease in Mereenie sales of 19,878 barrels. The increase in the Cooper Basin (18,761 barrels) is due to Kiana-1.

Gas sales are up \$1.6 million over 2005. This is essentially due to an increase in average price per MCF of \$3.04 in 2006 from \$2.67 in 2005, a 37% increase.

Total costs and expenses increased \$1.8 million over 2005 to \$23.7 million.

Production costs increased \$2.1 million to \$8.2 million in 2006. This is primarily due to expenditures for the Mereenie workover program.

Exploration and dry hole costs decreased approximately \$900,000 to \$3.3 million in 2006. This is due to the fact that more money was spent on potential producing assets in 2006 versus 2005 and was capitalized. This relates primarily to the success of Kiana, Currambar and Udacha.

Depletion, depreciation and amortization costs decreased \$717,000 to \$6.3 million in 2006. Depletion expense for the Palm Valley and Mereenie fields decreased \$1.2 million during the 2006 period primarily because of a decrease in depletable costs of \$5.1 million. This decrease was partially offset by an increase in depletion for the Nockatunga project (\$378,000) and properties in the Cooper Basin (\$198,000) primarily because of a higher depletion rate for 2006 due to a change in reserve estimates.

During the third quarter, the Company recorded an asset retirement settlement loss of \$445,000 related to the Mereenie field.

Shareholder communications costs increased \$223,000 to \$450,000 in 2006 essentially due to printing costs related to the exchange offer.

Other administrative expenses increased \$662,000 to \$1.5 million in 2006 primarily due to a non-cash charge for directors' stock option expense of \$365,000, increased marketing costs of \$191,000 and a charge to bad debts of \$48,000.

Further details are provided in the Preliminary Final Report to the Australian Stock Exchange, a copy of which is attached.

For further information, please contact Daniel Samela at (860) 293-2006.

Appendix 4E
Preliminary Final Report

Name of entity

MAGELLAN PETROLEUM CORPORATION

	ABN			Financial Year Ended ('Current Period')
1.	117 452 454			30 June 2006
2.	Results for Announcement to the Market			
2.1	Revenues from Ordinary Activities	up	21% to	\$US'000 26,562
2.2	Profit from Ordinary Activities after Income Tax attributable to Members	up	761% to	749
2.3	Net Profit for the period attributable to Members	up	761% to	749
2.4	Dividends (distributions)			Franked amount per
	Final dividend	Amount per security		security
	Interim dividend	N/A		N/A
2.5	Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A		
2.6	Brief explanation of any of the figures in 'For Announcement to the Market' section necessary to enable the figures to be understood:			
	<ul style="list-style-type: none"> • Net income had a significant improvement from the net income in the prior corresponding period primarily due to the increase in oil sales revenue achieved during the current financial year resulting from higher average world crude oil prices. 			

3. Consolidated Statement of Financial Performance for the Financial Year Ended 30 June 2006

	<u>2006</u>	<u>2005</u>
Revenues:		
Oil sales	\$10,615,761	\$ 7,574,022
Gas sales	14,060,968	12,478,293
Other production related revenues	<u>1,885,706</u>	<u>1,818,471</u>
Total revenues	<u>26,562,435</u>	<u>21,870,786</u>
Costs and expenses:		
Production costs	8,220,013	6,144,339
Exploratory and dry hole costs	3,264,837	4,157,344
Salaries and employee benefits	2,709,172	2,726,341
Depletion, depreciation and amortization	6,314,049	6,994,253
Auditing, accounting and legal services	471,596	441,642
Accretion expense	425,254	406,960
Shareholder communications	449,561	227,032
Loss on settlement of asset retirement obligation	444,566	—
Other administrative expenses	<u>1,455,696</u>	<u>800,200</u>
Total costs and expenses	<u>23,754,744</u>	<u>21,898,111</u>
Operating income (loss)	2,807,691	(27,325)
Interest income	1,268,641	1,141,802
Gain on sale of field equipment	<u>119,445</u>	<u>—</u>
Income before income taxes and minority	4,195,777	1,114,477
Income tax expense (benefit)	<u>1,678,980</u>	<u>(82,152)</u>
Income before minority interests	2,516,797	1,196,629
Minority interests	<u>(1,768,023)</u>	<u>(1,109,669)</u>
Net income	<u>\$ 748,774</u>	<u>\$ 86,960</u>
Average number of shares:		
Basic	<u>28,353,463</u>	<u>25,783,243</u>
Diluted	<u>28,453,270</u>	<u>25,783,243</u>
Per share (basic and diluted) Net income	<u>\$.03</u>	<u>—</u>

Notes to the financial statements will be contained in Item 8 of the Company's Form 10-K for the fiscal year ended June 30, 2006.

4. Consolidated Statement of Financial Position as at 30 June 2006

	June 30,	
	2006	2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,882,882	\$ 21,733,375
Accounts receivable — Trade	4,809,051	4,210,174
Accounts receivable — Working Interest Partners	413,786	864,922
Marketable securities	539,675	3,216,541
Inventories	734,887	591,997
Other assets	317,496	526,703
Total current assets	<u>28,697,777</u>	<u>31,143,712</u>
Deferred income taxes	3,093,219	1,014,907
Property and equipment:		
Oil and gas properties (successful efforts method)	87,831,709	80,765,911
Land, buildings and equipment	2,448,790	2,552,980
Field equipment	789,921	1,620,909
	<u>91,070,420</u>	<u>84,939,800</u>
Less accumulated depletion, depreciation and amortization	<u>(63,287,726)</u>	<u>(60,674,306)</u>
Net property and equipment	<u>27,782,694</u>	<u>24,265,494</u>
Intangible exploration rights	5,323,347	—
Goodwill	7,243,751	—
Total assets	<u>\$ 72,140,788</u>	<u>\$ 56,424,113</u>
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,856,515	\$ 3,602,085
Accrued liabilities	1,919,739	1,308,004
Income taxes payable	101,746	25,879
Deferred income taxes	1,963,500	—
Total current liabilities	<u>5,841,500</u>	<u>4,935,968</u>
Long term liabilities:		
Deferred income taxes	3,032,587	—
Asset retirement obligations	7,147,261	5,729,180
Total long term liabilities	<u>10,179,848</u>	<u>5,729,180</u>
Minority interests	—	18,583,046
Commitments (Note 11)	—	—
Stockholders' equity:		
Common stock, par value \$.01 per share:		
Authorized 200,000,000 shares Outstanding 41,500,138 and 25,783,243	415,001	257,832
Capital in excess of par value	<u>73,145,577</u>	<u>44,402,182</u>
Total capital	73,560,578	44,660,014
Accumulated deficit	<u>(14,412,688)</u>	<u>(15,161,462)</u>
Accumulated other comprehensive loss	<u>(3,028,450)</u>	<u>(2,322,633)</u>
Total stockholders' equity	<u>56,119,440</u>	<u>27,175,919</u>
Total liabilities, minority interests and stockholders' equity	<u>\$ 72,140,788</u>	<u>\$ 56,424,113</u>

Notes to the financial statements will be contained in Item 8 of the Company's Form
10-K for the fiscal year ended June 30, 2006.

5. Consolidated Statement of Cash Flows for the Financial Year Ended 30 June 2006

	2006	2005
Operating Activities:		
Net income	\$ 748,774	\$ 86,960
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain from sale of field equipment	(119,445)	—
Depletion, depreciation and amortization	6,314,049	6,994,253
Accretion expense	425,254	406,960
Deferred income taxes	(157,300)	(1,454,544)
Minority interests	1,768,023	1,109,669
Exploration and dry hole costs	2,997,026	3,200,816
Increase (decrease) in operating assets and liabilities:		
Accounts receivable	(774,696)	(978,727)
Other assets	209,207	(208,563)
Inventories	(170,664)	57,207
Accounts payable and accrued liabilities	75,843	(191,341)
Income taxes payable	74,416	(246,495)
Director's options expense	375,438	—
Net cash provided by operating activities	<u>11,765,925</u>	<u>8,776,195</u>
Investing Activities:		
Additions to property and equipment	(5,072,500)	(4,132,434)
Proceeds from sale of field equipment	119,445	—
Oil and gas exploration activities	(2,997,026)	(3,200,816)
Decrease in construction payables	(627,732)	(1,022,120)
Acquisition of minority interest in MPAL	(3,630,374)	—
Marketable securities matured	5,044,574	5,599,328
Marketable securities purchased	(2,367,707)	(5,639,435)
Net cash used in investing activities	<u>(9,531,320)</u>	<u>(8,395,477)</u>
Financing Activities:		
Dividends to MPAL minority shareholders	(765,641)	(821,732)
Net cash used in financing activities	<u>(765,641)</u>	<u>(821,732)</u>
Effect of exchange rate changes on cash and cash equivalents	(1,319,457)	1,767,769
Net increase in cash and cash equivalents	149,507	1,326,755
Cash and cash equivalents at beginning of year	21,733,375	20,406,620
Cash and cash equivalents at end of year	<u>\$21,882,882</u>	<u>\$21,733,375</u>
Cash Payments:		
Income taxes	22,000	13,000
Interest	—	—

Non-cash charges to oil & gas properties (\$4,336,896), intangible exploration rights (\$5,323,347), goodwill (\$7,243,751), deferred tax liabilities (\$2,898,073), minority interests (\$18,583,046) and equity (\$28,601,582) result from the acquisition of the minority MPAL shares.

In addition, non-cash asset retirement obligations increased as a result of a revision in estimates by \$1,667,877.

Notes to the financial statements will be contained in Item 8 of the Company's Form 10-K for the fiscal year ended June 30, 2006.

6. Dividends

No dividends paid

7. Details of Dividend or Distribution Reinvestment Scheme

N/A

8. Consolidated Accumulated Deficit

June 30, 2005	\$(15,161,462)
Net income	<u>748,774</u>
June 30, 2006	<u>\$(14,412,688)</u>

9. Net Tangible Assets per Security

Not required

10. Control Gained over Entities having Material Effect

Magellan Petroleum Australia Limited (MPAL) is the Company's wholly-owned subsidiary. Prior to 2006, the Company owned approximately 55% of MPAL's outstanding shares. In December 2005, the Company offered to exchange 0.75 of a share of its common stock and Aus. \$0.10 in cash for each ordinary share of MPAL not currently owned by the Company (the "Exchange Offer"). The Exchange Offer expired on May 12, 2006, and on or prior to such expiration the Company acquired approximately 7.6 million additional shares of MPAL. Following completion of the Offer Period, the Company acquired all remaining outstanding MPAL shares pursuant to the compulsory acquisition provisions of Australian corporate law.

Loss of Control of Entities having Material Effect

N/A

11. Details of Associate and Joint Venture Entities

N/A

12. Other Significant Information

NIL

13. Accounting Standards for Foreign Entities

US Generally Accepted Accounting Principles

14. Commentary on Results for the Period

See attached Media Release.

15. Impact of Adopting Australian Equivalents to IFRS

N/A

16. Audited Accounts

This Report is based on accounts which are in the process of being audited.

17. Likely Dispute or Qualification

N/A

Date: _____

By: /s/ Daniel J. Samela

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