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

(Mark one)

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

For the quarterly period ended December 31, 2001

[ ] 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 February 11, 2002 was 24,607,376.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	December 31, 2001 (Unaudited)	June 30, 2001 (Note)
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	$11,716,229	$12,792,191
Accounts receivable	5,523,370	4,580,809
Marketable securities	496,961	846,063
Inventories	416,565	537,138
Other assets	234,765	283,372
Total current assets	18,387,890	19,039,573
Marketable securities	1,348,362	961,514
Property and equipment (successful efforts method)	41,183,229	40,367,660
Less: accumulated depletion, depreciation and amortization	(25,538,065)	(23,885,240)
Net property and equipment	15,645,164	16,482,420
Other assets	866,738	1,014,578
Total assets	$36,248,154	$37,498,085

LIABILITIES, MINORITY INTERESTS

AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 2,998,340	$ 1,907,672
Accrued liabilities	683,842	741,972
Income taxes payable	164,142	991,571
Total current liabilities	3,846,324	3,641,215
Long term liabilities:		
Deferred income taxes	2,773,410	3,029,180
Reserve for future site restoration costs	1,035,964	953,210
Total long term liabilities	3,809,374	3,982,390
Minority interests	11,964,716	12,701,000
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 and 200,000,000 shares		
Outstanding 24,607,376 and 24,698,226 shares	246,074	246,982
Capital in excess of par value	43,085,841	43,179,475
Total capital	43,331,915	43,426,457
Accumulated deficit	(16,151,079)	(15,842,656)
Accumulated other comprehensive loss	(10,553,096)	(10,410,321)
Total Stockholders' equity	16,627,740	17,173,480
Total liabilities, minority interests and stockholders' equity	$36,248,154	$37,498,085

</TABLE>

Note: The balance sheet at June 30, 2001 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

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Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

<TABLE>
<CAPTION>

	Three months ended December 31, 2001	Three months ended December 31, 2000	Six months ended December 31, 2001	Six months ended December 31, 2000
Revenues:				
<S>	<C>	<C>	<C>	<C>
Oil sales	$ 668,674	$ 1,309,782	$1,686,663	$2,498,584
Gas sales	2,097,275	2,066,663	4,074,667	4,226,250
Other production related revenues	211,135	201,778	958,160	465,284
Interest income	160,983	244,427	342,673	500,257
	3,138,067	3,822,650	7,062,163	7,690,375
Costs and expenses:				
Production costs	838,818	1,081,311	1,837,953	1,925,012
Exploration and dry hole costs	2,565,218	1,077,295	2,732,984	1,209,280
Salaries and employee benefits	316,254	430,526	669,075	872,881
Depletion, depreciation and amortization	870,041	643,801	1,663,045	1,318,160

Auditing, accounting and legal services	57,421	54,913	166,529	156,749
Shareholder communications	83,028	92,875	108,724	121,297
Other administrative expenses	222,037	193,149	454,305	430,805
	4,952,817	3,573,870	7,632,615	6,034,184
Income (loss) before income taxes and minority interests	(1,814,750)	248,780	(570,452)	1,656,191
Income tax (provision) benefit	506,471	(113,611)	197,850	(592,073)
Income (loss) before minority interests	(1,308,279)	135,169	(372,602)	1,064,118
Minority interests	577,260	(156,972)	64,179	(695,071)
Net income (loss)	$ (731,019)	$ (21,803)	$ (308,423)	$ 369,047
Average number of shares outstanding				
Basic	24,607,376	25,091,476	24,636,355	25,098,655
Diluted	24,607,376	25,091,476	24,636,355	25,098,655
Net income (loss) per share(basic and diluted)	$(.03)	$-	$(.01)	$.01

</TABLE>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

<TABLE>
<CAPTION>

<S>	Number of shares <C>	Common stock <C>	Capital in excess of par value <C>	Accumulated deficit <C>	Accumulated other comprehensive loss <C>	Total <C>	Comprehensive income (loss) <C>
July 1, 2001	24,698,226	$246,982	$43,179,475	$(15,842,656)	$(10,410,321)	$17,173,480	
Repurchase of common stock	(90,850)	(908)	(93,634)	-	-	(94,542)	
Net loss	-	-	-	(308,423)	-	(308,423)	$(308,423)
Foreign currency translation adjustments	-	-	-	-	5,065	5,065	5,065
Unrealized loss on available-for-sale securities	-	-	-	-	(147,840)	(147,840)	(147,840)
Comprehensive loss							$(451,198)
December 31, 2001	24,607,376	$246,074	$43,085,841	$(16,151,079)	$(10,553,096)	$16,627,740	

</TABLE>

See accompanying notes.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>

<CAPTION>

	Six months ended December 31,	
	2001	2000
Operating Activities:		
<S>	<C>	<C>
Net income (loss)	$ (308,423)	$ 369,047
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,663,045	1,318,160
Restoration costs	254,394	139,965
Deferred income taxes	(255,770)	-
Minority interests	(64,179)	695,071
Change in operating assets and liabilities:		
Accounts receivable	(1,763,510)	(916,147)
Other assets	(70,141)	(10,253)
Inventories	38,281	(92,466)
Income taxes payable	(751,378)	(527,003)
Accounts payable and accrued liabilities	1,574,634	165,283
Net cash provided by operating activities	316,953	1,141,657
Investing Activities:		
Marketable securities purchased	(37,746)	(216,247)
Repurchase of common stock	(94,542)	(66,198)
Net additions to property and equipment	(707,029)	(1,480,653)
Net cash (used) in investing activities	(839,317)	(1,763,098)
Financing Activities:		
Dividends to MPAL minority shareholders	(586,379)	(593,034)
Net cash (used) in financing activities	(586,379)	(593,034)
Effect of exchange rate changes on cash and cash equivalents	32,781	(980,189)
Net decrease in cash and cash equivalents	(1,075,962)	(2,194,664)
Cash and cash equivalents at beginning of year	12,792,191	13,890,834
Cash and cash equivalents at end of period	$11,716,229	$11,696,170

</TABLE>

See accompanying notes.

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Item 1. Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the Company's 51.7% owned subsidiary, Magellan Petroleum Australia Limited ("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 and six month periods ended December 31, 2001 are not necessarily indicative of the results that may be expected for the year ending June 30, 2002. 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, 2001.

Certain amounts for the 2000 period under Operating and Investing Activities in the Consolidated Statements of Cash Flows have been reclassified to conform to the classifications in the 2001 period.

Note 2. Revenue Recognition

On January 19, 2001, the Company's carried interest account in the Kotaneelee gas field reached undisputed payout status. During the quarter ended June 30, 2001, the Company began accruing its share (2.67%) of Kotaneelee net proceeds as income. The Company began receiving regular payments of its share of Kotaneelee gas revenues during December 2001.

Prior to the Kotaneelee field reaching undisputed payout status, the operator of the Kotaneelee field had been reporting and depositing in escrow its share of the disputed amount of MPC's share of net revenues. Based on the reported data, the Company believes the total amount due MPC through June 30, 2001 production (including interest) was at least $1.4 million. The disputed amount, which has not been included in income, represents gas processing fees claimed by the working interest partners. The trial court ruled in favor of the Company on this issue. However, in December 2001, the defendants filed a notice of appeal of the trial court's decision. Due to the uncertainty of the litigation, the Company will not accrue the $1.4 million estimated amount due, until the uncertainty is resolved.

Item 1. Notes to Consolidated Financial Statements- (Cont'd)
- ------- ---

Note 3. Capital

During December 2000, the Company announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. At December 31, 2001, the Company had purchased 500,850 of its shares at a cost of approximately $506,000.

Note 4. Depletion, depreciation and amortization

The operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements. The estimated cost of these proposed expenditures (MPAL share $9 million) has been added to the costs being amortized. In addition, as the field continues to age, the cost of maintaining the field is expected to increase.

Note 5. Comprehensive income (loss)

Total comprehensive income (loss) during the three and six month periods ended December 31, 2001 and 2000 were as follows:
<TABLE>

<CAPTION>

	Three months ended December 31, 2001	Three months ended December 31, 2000	Six months ended December 31, 2001	Six months ended December 31, 2000	Accumulated December 31, 2001
<S>	<C>	<C>	<C>	<C>	<C>
Net income (loss)	$ (731,019)	$(21,803)	$ (308,423)	$ 369,047	
Foreign currency translation adjustments	661,246	488,968	5,065	(1,252,768)	$ (10,638,402)
Unrealized gain (loss) on available -for-sale securities	(92,400)	-	(147,840)	-	85,306
Total comprehensive income (loss)	$(162,173)	$467,165	$(451,198)	$(883,721)	$(10,553,096)

</TABLE>

Note 6. Pending Adoption of Accounting Standard

In June 2001, the Financial Accounting Statements Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143). SFAS No. 143 addresses the accounting for obligations arising from the retirement of tangible long-lived assets and expands the scope to include obligations that are identifiable by the entity upon acquisition, construction and during the operating life of a long-lived asset. The statement requires asset retirement obligations (AROs) to be initially measured at fair value at the time the obligation is incurred. SFAS No. 143 is effective for the Company's 2003 fiscal year. The Company is currently assessing SFAS No. 143 and the accounting for future site restoration

costs to determine whether there will be any significant effect on earnings or the financial condition of the Company.

Note 7. Investment in MPAL

During fiscal 2002, MPC has purchased 175,209 shares of MPAL at an approximate cost of $179,000 and increased its ownership in MPAL from 51.3% to 51.7%.

Note 8. 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 and six month periods ended December 30, 2001 and 2000 because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive. The exercise price of outstanding stock options exceeded the average market price of the common stock during the 2002 and 2001 periods.

Note 9. 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 December 31,		Six months ended December 31,	
	2001	2000	2001	2000
Revenues:				
<S>	<C>	<C>	<C>	<C>
MPC	$ 764	$ 667	$ 919	$ 711
MPAL	2,998	3,777	6,767	7,600
Intersegment dividend	(624)	(621)	(624)	(621)
Total consolidated revenues	$ 3,138	$ 3,823	$ 7,062	$ 7,690
Net income (loss):				
MPC	$ 507	$ 435	$ 384	$ 262
MPAL	(614)	164	(68)	728
Intersegment dividend	(624)	(621)	(624)	(621)
Consolidated net income (loss)	$ (731)	$ (22)	$ (308)	$ 369

</TABLE>

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Item 1. Notes to Consolidated Financial Statements- (Cont'd)

Note 10. Unrealized Gain on Securities Held for Investment

During August 1999, MPC sold its interest in the Tapia Canyon, California heavy oil project for its approximate cost of $101,000 and received shares of stock in the purchaser. During late December 2000, the purchaser became a public company (Sefton Resources, Inc) which is listed on the London Stock Exchange. At December 31, 2001, MPC owned approximately 2.8% of Sefton Resources, Inc. with a fair market value of $178,640 and a cost of $93,334. The $85,306 has been recorded as unrealized gain on available-for-sale securities.

Note 11. Change in Estimate

During the three months ended September 30, 2001, MPAL recorded an additional amount of gas pipeline tariff revenue of approximately $595,000 to reflect a resolution of a dispute regarding the calculation of the pipeline tariffs.

Note 12. Exploration and Dry Hole Costs

The 2001 and 2000 costs related primarily to the exploration work being performed on MPAL's offshore Western Australia properties. The costs in 2001 include the dry hole costs (a total of $2.3 million) of the Carbine-1 and the Marabou-1 wells which were drilled in the Browse Basin offshore Western Australia.

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

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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. 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. Also, the cost of drilling a dry hole is written off immediately. Other exploration costs, including geological and geophysical expenses, leasehold expiration costs and delay rentals, are expensed as incurred. An active exploration program may result in greater exploration and dry hole costs. Therefore, the results of operations may vary

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd)
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materially from quarter to quarter. During the quarter ending December 31, 2001, MPAL participated in the drilling of two wells offshore Western Australia. MPAL's share of the cost of these wells, which was approximately $2.3 million, has been written off, as the wells were unsuccessful in finding oil or gas. MPAL expects to participate in the drilling of three wells in the Cooper Basin of South Australia beginning in April 2002. MPAL's share of the cost of these wells is expected to be approximately $750,000.

During the quarter ended June 30 2001, the Company began accruing its share (2.67%) of Kotaneelee net proceeds as income. The Company began receiving regular payments of its share of Kotaneelee gas revenues during December 2001.

Prior to the Kotaneelee field reaching undisputed payout status, the operator of the Kotaneelee field had been reporting and depositing in escrow its share of the disputed amount of MPC's share of net revenues. Based on the reported data, the Company believes the total amount due MPC through June 30, 2001 production (including interest) was at least $1.4 million. The disputed amount, which has not been included in income, represents gas processing fees claimed by the working interest partners. The trial court ruled in favor of the Company on this issue. However, in December 2001, the defendants filed a notice of appeal of the trial court's decision. Due to the uncertainty of the litigation, the Company will not accrue the $1.4 million estimated amount due, until the uncertainty is resolved.

The Company's Annual Report on Form 10-K for the year ended June 30, 2001 should be read for a detailed discussion of the Kotaneelee litigation.

In June 2001, the Financial Accounting Statements Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143). SFAS No. 143 addresses the accounting for obligations arising from the retirement of tangible long-lived assets and expands the scope to include obligations that are identifiable by the entity upon acquisition, construction and during the operating life of a long-lived asset. The statement requires asset retirement obligations (AROs) to be initially measured at fair value at the time the obligation is incurred. SFAS No. 143 is effective for the Company's 2003 fiscal year. The Company is currently assessing SFAS No. 143 and the accounting for future site restoration costs to determine whether there will be any significant effect on earnings or the financial condition of the Company.

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

Liquidity and Capital Resources

Consolidated

At December 31, 2001, the Company on a consolidated basis had approximately $13.6 million in cash and cash equivalents and marketable securities.

A summary of the major changes in cash and cash equivalents during the six month period ended December 31, 2001 is as follows:

Cash and cash equivalents at beginning of period	$12,792,000
Net cash provided by operations	317,000
Marketable securities purchased	(38,000)
Net additions to property and equipment	(707,000)
Repurchase of common stock	(95,000)
Dividends to MPAL minority shareholders	(586,000)
Effect of exchange rate changes	33,000
Cash and cash equivalents at end of period	$11,716,000

As to MPC

At December 31, 2001, MPC, on an unconsolidated basis, had working capital of approximately $2.1 million. MPC's current cash position, its annual MPAL dividend and the anticipated revenue from the Kotaneelee field 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 its majority interest in its subsidiary, MPAL. During fiscal 2002, MPC purchased 175,209 shares of MPAL's stock at a cost of approximately $179,000 and increased its ownership in MPAL from 51.3% to 51.7%.

During November 2001, MPC received a dividend from MPAL of approximately $624,000, which was added to MPC's working capital.

During December 2000, MPC announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. At December 31, 2001, MPC had purchased 500,850 of its shares at a cost of approximately $506,000.

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

As to MPAL

At December 31, 2001, MPAL had working capital of approximately $12.5 million. MPAL has budgeted approximately $4.5 million for specific exploration projects in the fiscal year 2002 as compared to the $2.3 million expended during fiscal 2001. However, the total amount to be expended may vary depending on when various projects reach the drilling phase. 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. 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 exploration program, its revenues will be materially reduced after 2009.

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2006. MPAL has made its required expenditures for the fiscal year ending June 30, 2002. The contingent amounts will be dependent on such factors as the results of the current program to evaluate the exploration permits, drilling results and MPAL's financial position.

Fiscal Year	Required Expenditures	Contingent Expenditure	Total
2003	$2,175,000	$8,431,000	$10,606,000
2004	1,145,000	2,666,000	3,811,000
2005	924,000	5,566,000	6,490,000
2006	-	1,100,000	1,100,000
Total	$4,244,000	$17,763,000	$22,007,000

MPAL expects to fund its exploration costs through its cash and cash equivalents and its cash flow from its Australian operations. MPAL also expects that it will seek partners to share the above exploration costs. If MPAL's efforts to find partners are unsuccessful, it may be unable or unwilling to complete the contemplated exploration program for some of its properties.

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

Results of Operations

Three months ended December 31, 2001 vs. December 31, 2000

The components of consolidated net loss for the comparable periods were as follows:

	Three months ended December 31,	
	2001	2000

MPC unconsolidated pretax loss	$ (90,540)	$ (186,225)
MPC income tax expense	(26,929)	-
Share of MPAL pretax income (loss)	(888,754)	222,545
Share of MPAL income tax (provision) benefit	275,204	(58,123)
	-----------	-----------
Consolidated net loss	$ (731,019)	$ (21,803)
	===========	============
Net loss per share (basic & diluted)	$ (.03)	$ -
	=======	===

Revenues

Oil sales decreased 49% in the current quarter to $669,000 from $1,310,000 in 2000 because of a 34% decrease in oil prices, the 4% Australian foreign exchange rate decrease discussed below and a 17% decrease in the number of units sold. Oil unit 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:

	Three months ended December 31,			
	2001 Sales		2000 Sales	
	bbls	Average price per bbl	Bbls	Average price per bbl
	----	-------	----	-------
Australia-Mereenie	39,275	A.$36.92	47,112	A.$56.20

Gas sales increased 1% to $2,097,000 in 2001 from $2,067,000 in 2000 primarily because of a 3% increase in the volume of gas sold which were partially offset by the 4% Australian foreign exchange rate decrease discussed below. In addition, gas sales in 2001 include $108,000 (none in 2000) of gas sales from the Kotaneelee field for the production period July - September 2001. 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:

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

	Three months ended December 31,			
	2001 Sales		2000 Sales	
	bcf	Average price per mcf	bcf	Average price per mcf
	---	--------------------	---	--------------------
		(A.$)		(A.$)
Australia: Palm Valley				
Alice Springs contract	.252	2.97	.287	3.14
Darwin contract	.571	2.03	.520	2.07
Australia: Mereenie				
Darwin contact	.840	2.41	.891	2.60
Other	.111	3.40	.019	3.37
	----		----	
Total	1.774		1.717	
	=====		=====	

Other production related revenues increased 5% to $211,000 in 2001 from $202,000 in 2000. Other production related revenues are primarily MPAL's share of gas pipeline tariff revenues.

Interest income decreased 34% to $161,000 in 2001 from $244,000 in 2000 because of the 4% Australian foreign exchange rate decrease discussed below and lower interest rates.

Costs and Expenses

Production costs decreased 22% in 2001 to $839,000 from $1,081,000 in 2000 primarily because of the efforts to control the costs to operate the Palm Valley and Mereenie fields.

Exploration and dry hole costs increased 138% to $2,565,000 in 2001 from $1,077,000 in 2000. The 2001 and 2000 costs related primarily to the exploration work being performed on MPAL's offshore Western Australia properties. The costs in 2001 include the dry hole costs (a total of $2.3 million) of the Carbine-1 and the Marabou-1 wells which were drilled in the Browse Basin offshore Western Australia.

Salaries and employee benefits decreased 27% to $316,000 in 2001 from $431,000 in 2000 because of the 4% decrease in the Australian foreign exchange rate as discussed below and a decrease in payroll costs in Australia.

Depletion, depreciation and amortization increased 35% from $644,000 in 2000 to $870,000 in 2001. The increase in DD&A was partially offset by the 4% decrease in the Australian exchange rate discussed below. The operator of the Mereenie field has implemented an extensive program for additional drilling and capital improvements. The estimated cost of these expenditures increased the amount of depletion by approximately

$84,000 in the 2001 period. In addition, there was a 25% net decrease in the reserve base used to calculate the depletion rate during the 2001 period which also increased DD&A expense.

Auditing, accounting and legal expenses increased 5% from $55,000 in 2000 to $57,000 in 2001 primarily because of an increase in MPAL's legal costs in Australia.

Shareholder communications decreased 11% from $93,000 in 2000 to $83,000 in 2001 because of the Company's efforts to reduce costs.

Other administrative expenses increased 15% from $193,000 in 2000 to $222,000 in 2001 because of the reduction in the amount of overhead that MPAL, as operator, was able to charge its partners during 2001 period.

Income Taxes

Income tax expense decreased in 2001 to a tax benefit of $506,000 from a $114,000 tax provision in 2000. The components of tax income expense between MPC and MPAL were as follows:

	2001	2000
Pretax consolidated income (loss)	$ (1,815)	$ 249
MPC's losses not recognized	91	186
Permanent differences	(53)	(99)

Book taxable income (loss)	$ (1,777)	$ 336
Australian tax rate	30%	34%
Australian income tax benefit (provision)	$ 533	$ (114)
MPC income tax	(27)	-
Consolidated income tax benefit (provision)	$ 506	$ (114)
Current income tax (provision)	$ (27)	$ (114)
Deferred income tax benefit	533	-
Consolidated income tax benefit (provision)	$ 506	$ (114)
Effective tax rate	(28)%	46%

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December 31, 2001

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

MPAL's loss during the 2001 period resulted in the income tax benefit. MPC's 2001 income tax represents the 25% Canadian withholding tax on its Kotaneelee carried interest net proceeds. Australia enacted corporate tax rate reductions for the fiscal year ending June 30, 2002 reducing the rate from 34% to 30%.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.5104 at December 31, 2001 compared to a value of $.4914 at September 30, 2001. This resulted in a $661,000 credit to the foreign currency translation adjustments account for the three months ended December 31, 2001. The average exchange rate used to translate MPAL's operations in Australia was $.5119 for the quarter ended December 31, 2001, which is a 4% decrease compared to the $.5330 rate for the quarter ended December 31, 2000.

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

Six months ended December 31, 2001 vs. December 31, 2000

The components of consolidated net income (loss) for the comparable periods were as follows:

	Six months ended December 31,	
	2001	2000

	-------------	------------
MPC unconsolidated pretax loss	$(181,774)	$(359,021)
MPC income tax expense	(57,969)	-
Share of MPAL pretax income (loss)	(200,923)	1,030,969
Share of MPAL income tax (provision) benefit	132,243	(302,901)
	---------	-----------
Consolidated net income (loss)	$ (308,423)	$ 369,047
	===========	=========
Net income (loss) per share (basic & diluted)	$ (.01)	$ .01
	========	=====

Revenues

Oil sales decreased 33% in the current period to $1,687,000 from $2,499,000 in 2000 because of a 25% decrease in oil prices, the 7% Australian foreign exchange rate decrease discussed below and 4% decrease in the number of units sold. Oil unit 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:
<TABLE>
<CAPTION>

	Six months ended December 31,			
	2001 Sales		2000 Sales	
	bbls	Average price per bbl	bbls	Average price per bbl
<S>	<C>	<C>	<C>	<C>
Australia-Mereenie	83,117	A.$42.91	86,204	A.$56.88

</TABLE>

Gas sales decreased 4% to $4,075,000 in 2001 from $4,226,000 in 2000 primarily because of the 7% Australian foreign exchange rate decrease discussed below which was partially offset by Kotaneelee gas sales in 2001 of $232,000 (none in 2000) of gas sales for the production period May - September 2001. 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:

MAGELLAN PETROLEUM CORPORATION

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PART I - FINANCIAL INFORMATION

December 31, 2001

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

<TABLE>
<CAPTION>

	Six months ended December 31,			
	2001 Sales		2000 Sales	
	Bcf	Average price per mcf (A.$)	bcf	Average price per mcf (A.$)
Australia: Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.558	3.10	.567	3.09

Darwin contract	1.044	2.06	1.031	2.05
Australia: Mereenie				
Darwin contact	1.537	2.45	1.495	2.47
Other	.193	3.53	.327	3.18
	------		------	
Total	3.332		3.420	
	=====		=====	

</TABLE>

Other production related revenues increased 106% to $958,000 in 2001 from $465,000 in 2000. The primary reason for this increase was that MPAL's share of gas pipeline tariffs increased to $905,000 in 2001 from $302,000 in 2000. During the 2001 period, MPAL recorded an additional amount of gas pipeline tariff revenue of approximately $595,000 to reflect a resolution of a dispute regarding the calculation of the pipeline tariffs.

Interest income decreased 31% to $343,000 in 2001 from $500,000 in 2000 because of the 7% Australian foreign exchange rate decrease discussed below and lower interest rates.

Costs and Expenses

Production costs decreased 5% in 2001 to $1,838,000 from $1,925,000 in 2000 primarily because of the 7% decrease in the Australian foreign exchange rate as discussed below.

Exploration and dry hole costs increased 126% to $2,733,000 in 2001 from $1,209,000 in 2000. The 2001 and 2000 costs related primarily to the exploration work being performed on MPAL's offshore Western Australia properties. In addition, the costs in 2001 include the dry hole costs (a total of $2.3 million) of the Carbine-1 and the Marabou-1 wells which were drilled in the Browse Basin offshore Western Australia.

Salaries and employee benefits decreased 23% to $669,000 in 2001 from $873,000 in 2000 primarily because of the 7% decrease in the Australian foreign exchange rate as discussed below and a decrease in payroll costs in Australia.

Depletion, depreciation and amortization increased 26% from $1,318,000 in 2000 to $1,663,000 in 2001. The increase in DD&A was partially offset by the 7% decrease in the Australian exchange rate discussed below. The operator of the Mereenie field has implemented an extensive program for additional drilling and capital improvements. The estimated cost of these expenditures increased the amount of depletion by approximately $160,000 in the 2001 period. In addition, there was a 25% net decrease in the reserve base used to calculate the depletion rate during the 2001 period which also increased DD&A expense.

Auditing, accounting and legal expenses increased 6% from $157,000 in 2000 to $167,000 in 2001 primarily because of an increase in MPAL's legal costs in Australia.

Shareholder communications decreased 10% from $121,000 in 2000 to $109,000 in 2001 primarily because of the 7% decrease in the Australian foreign exchange rate as discussed below.

Other administrative expenses increased 5% from $431,000 in 2000 to $454,000 in 2001 because of the reduction in the amount of overhead that MPAL, as operator, was able to charge its partners during 2001 period.

Income Taxes

Income tax expense decreased in 2001 to a tax benefit of $198,000 from a tax provision of $592,000 in 2000. The components of tax income expense between MPC and MPAL were as follows:

	2001	2000
Pretax consolidated income (loss)	$ (571)	$ 1,656
MPC's losses not recognized	182	359
Permanent differences	(463)	(274)
Book taxable income (loss)	$ (852)	$ 1,741
Australian tax rate	30%	34%
Australian income tax benefit (provision)	$ 256	$ (592)
MPC income tax	(58)	-
Consolidated income tax benefit (provision)	$ 198	$ (592)
Current income tax provision	$ (58)	$ (592)
Deferred income tax benefit	256	-
Consolidated income tax benefit (provision)	$ 198	$ (592)

Effective tax rate	(35)%	36%

MPAL's loss during the 2001 period resulted in the income tax benefit. MPC's 2001 income tax represents the 25% Canadian withholding tax on its Kotaneelee carried interest net proceeds. Australia enacted corporate tax rate reductions for the fiscal year ending June 30, 2002 reducing the rate from 34% to 30%.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar remained unchanged at $.5104 at December 31, 2001 compared to its value at June 30, 2001. This resulted in a $5,000 credit to the foreign currency translation adjustments account for the six months ended December 31, 2001. The average exchange rate used to translate MPAL's operations in Australia was $.5125 for the six months ended December 31, 2001, which is an 7% decrease compared to the $.5532 rate for the six months ended December 31, 2000.

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, as the only market sensitive instruments are its investments in marketable securities. At December 31, 2001, the carrying value of such investments (including those classified as cash and cash equivalents) was approximately $12.6 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.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

December 31, 2001

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

- ------- --

(a) On December 3, 2001, the Company held its 2001 Annual General Meeting of Stockholders.

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

	Shares		Stockholders	
	For	Withheld	For	Withheld
Walter McCann	20,771,659	1,092,370	2,090	230
Ronald P. Pettirossi	20,927,875	936,154	2,107	213

(c) The firm of Ernst & Young LLP was appointed as the Company's independent auditors for the year ending June 30, 2002. The vote was as follows:

	Shares	Stockholders
For	21,126,497	2,101
Against	492,038	83
Abstain	245,494	136

Item 5. Other Information

Effective January 17, 2002, Mr. T. Gwynn Davies, MPAL's exploration manager, was appointed General Manager of MPAL:

During November 2001, The Carbine-1 well in Exploration Permit WA-283-P in the Browse Basin offshore Western Australia was plugged and abandoned having reached a total depth of approximately 5,200 feet.

During January 2002, the Marabou-1 well in Permit WA-281-P in the Browse Basin offshore Western Australia was plugged and abandoned having reached a total depth of approximately 12,300 feet.

MPAL expects to participate in the drilling of three wells in the Cooper Basin of South Australia beginning in April 2002. MPAL's share of the cost of these wells is approximately $750,000.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

December 31, 2001

Item 6. Exhibits and Reports on Form 8-K
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(a) Exhibits

None.

(b) Reports on Form 8-K

On November 20, 2001, the Company filed a Current Report on Form 8-K to report The Carbine-1 well in Exploration Permit WA-283-P in the Browse Basin offshore Western Australia was being plugged and abandoned having reached a total depth of approximately 5,200 feet. The abandonment of the well was estimated to result in a pre-tax charge to earnings in the Company's second quarter ending December 31, 2001 of approximately $725,000.

On December 7, 2001, the Company filed a Current Report on Form 8-K to report the following:

1. Hedley Howard, a director of the Company and a director and General Manager of its 51% owned Australian subsidiary, Magellan Petroleum Australia Limited, died on December 1, 2001.

2. During December 2001, the Company received cash payments totaling approximately $346,000 which represent part of the Company's share of total net production proceeds from the Kotaneelee gas field through June 30, 2001.

3. On December 3, 2001, the Company held its 2001 Annual General Meeting of Stockholders. Mr. Walter McCann and Mr. Ronald P. Pettirossi were reelected directors of the Company each for a term of three years, expiring at the 2004 Annual General Meeting. In addition, Ernst & Young LLP was appointed as the Company's independent auditors for the fiscal year ending June 30, 2002.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

December 31, 2001

SIGNATURES

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

MAGELLAN PETROLEUM CORPORATION
Registrant

Date: February 12, 2002 By /s/ James R. Joyce

James R. Joyce, President and
Chief Financial and Accounting Officer