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, 2002

[ ] 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 12, 2003 was 24,607,376.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

December 31, 2002

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MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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CONSOLIDATED BALANCE SHEETS

	December 31, 2002	June 30, 2002
ASSETS	(unaudited)	(Note)
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	$16,157,575	$15,784,851
Accounts and notes receivable	4,027,662	4,162,821
Marketable securities	1,252,110	899,619
Inventories	477,399	377,847
Other assets	241,173	280,537
Total current assets	22,155,919	21,505,675
Marketable securities	390,000	794,070
Property and equipment:		
Oil and gas properties (successful efforts method)	45,969,849	44,155,824
Land, buildings and equipment	1,695,275	1,669,330
Field equipment	1,208,467	1,189,093
Total property and equipment:	48,873,591	47,014,247
Less accumulated depletion, depreciation and amortization	(31,456,223)	(29,967,865)
Net property and equipment	17,417,368	17,046,382

Other assets	773,897	820,189
Total assets	$40,737,184	$40,166,316

LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 2,531,965	$ 2,323,781
Accrued liabilities	1,165,135	1,086,193
Income taxes payable	255,952	233,339
Total current liabilities	3,953,052	3,643,313
Long term liabilities:		
Deferred income taxes	2,269,106	2,731,221
Asset retirement obligation	3,870,206	1,242,398
Total long term liabilities	6,139,312	3,973,619
Minority interests	12,794,708	13,932,928
Commitments (Note 2)	-	-
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 shares		
Outstanding 24,607,376 shares	246,074	246,074
Capital in excess of par value	43,085,841	43,085,841
Total capital	43,331,915	43,331,915
Accumulated deficit	(16,506,845)	(15,750,935)
Accumulated other comprehensive loss	(8,974,958)	(8,964,524)
Total stockholders' equity	17,850,112	18,616,456
Total liabilities, minority interests and stockholders' equity	$40,737,184	$40,166,316

</TABLE>

Note: The balance sheet at June 30, 2002 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
FORM 10-Q
PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(unaudited)

<TABLE>
<CAPTION>

	Three months ended December 31,		Six months ended December 31,	
	2002	2001	2002	2001
Revenues:				
<S>	<C>	<C>	<C>	<C>
Oil sales	$ 724,315	$ 668,674	$1,525,303	$1,686,663
Gas sales	2,626,559	2,097,275	4,655,498	4,074,667

Other production related revenues	314,229	211,135	465,034	958,160
Interest and other income	218,773	160,983	425,349	342,673
Total revenues	3,883,876	3,138,067	7,071,184	7,062,163
Costs and expenses:				
Production costs	912,143	838,818	1,896,078	1,837,953
Exploration and dry hole costs	489,101	2,565,218	1,295,746	2,732,984
Salaries and employee benefits	535,613	316,254	946,127	669,075
Depletion, depreciation and amortization	782,402	870,041	1,656,328	1,663,045
Auditing, accounting and legal services	123,726	57,421	265,133	166,529
Accretion expense	75,179	-	148,864	-
Shareholder communications	84,189	83,028	114,768	108,724
Other administrative expenses	198,376	222,037	249,402	454,305
Total costs and expenses	3,200,729	4,952,817	6,572,446	7,632,615
Income (loss) before income taxes, minority interests and cumulative effect of accounting change	683,147	(1,814,750)	498,738	(570,452)
Income tax (provision) benefit	(212,348)	506,471	(213,200)	197,850
Income (loss) before minority interests and cumulative effect of accounting change	470,799	(1,308,279)	285,538	(372,602)
Minority interests	(317,379)	577,260	(303,507)	64,179
Income (loss) before cumulative effect of accounting change	153,420	(731,019)	(17,969)	(308,423)
Cumulative effect of accounting change - net	-	-	(737,941)	-
Net income (loss)	$ 153,420	$ (731,019)	$ (755,910)	$ (308,423)
Average number of shares outstanding				
Basic	24,607,376	24,607,376	24,607,376	24,636,355
Diluted	24,607,376	24,607,376	24,607,376	24,636,355
Net income (loss) per share(basic and diluted)				
Before cumulative effect of accounting change	$ .01	$ (.03)	$ -	$ (.01)
Cumulative effect of accounting change-net	-	-	(.03)	-
Net income (loss)	$ 01	$ (.03)	$ (.03)	$ (.01)

</TABLE>

See accompanying notes.

MAGELLAN PETROLEUM CORPORATION
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PART I - FINANCIAL INFORMATION
December 31, 2002

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Six months ended December 31,	
	2002	2001
Operating Activities:		
<S>	<C>	<C>
Net loss	$ (755,910)	$ (308,423)

Adjustments to reconcile net loss to net cash provided by operating activities:		
Cumulative effect of accounting change	2,025,690	-
Depletion, depreciation and amortization	1,656,328	1,663,045
Accretion expense	148,864	-
Deferred income taxes	(448,666)	(255,770)
Minority interests	(376,535)	(64,179)
Change in operating assets and liabilities:		
Accounts and notes receivable	(280,806)	(1,763,510)
Other assets	(40,398)	(70,141)
Inventories	(145,284)	38,281
Accounts payable and accrued liabilities	821,902	1,574,634
Income taxes payable	44,754	(751,378)
Asset Retirement Obligation	(58,901)	-
Reserve for site restoration costs	-	254,394
Net cash provided by operating activities	2,591,038	316,953
Investing Activities:		
Marketable securities purchased	(700,000)	(883,809)
Marketable securities sold or matured	751,579	846,063
Repurchase of common stock	-	(94,542)
Sale of available-for-sale securities	93,334	-
Net additions to property and equipment	(1,632,758)	(707,029)
Net cash used in investing activities	(1,487,845)	(839,317)
Financing Activities:		
Dividends to MPAL minority shareholders	(628,209)	(586,379)
Net cash used in financing activities	(628,209)	(586,379)
Effect of exchange rate changes on cash and cash equivalents	(102,260)	32,781
Net increase (decrease) in cash and cash equivalents	372,724	(1,075,962)
Cash and cash equivalents at beginning of year	15,784,851	12,792,191
Cash and cash equivalents at end of period	$16,157,575	$11,716,229

See accompanying notes.

</TABLE>

Item 1. Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Magellan Petroleum Corporation (MPC) and the Company's 52.3% 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, 2002 are not necessarily indicative of the results that may be expected for the year ending June 30, 2003. 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, 2002.

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

to conform to the classifications in the 2002 period.

Note 2. Revenue Recognition

Prior to the Kotaneelee field reaching undisputed payout status during fiscal 2001, 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 at December 31, 2002 (including interest) was at least $1.5 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. The court also made no ruling on the issue of taxable costs of the litigation. Due to the uncertainty of the litigation, the Company will not accrue the $1.5 million estimated amount due until the uncertainty is resolved.

The trial was lengthy, complicated and costly to all parties. The court has very broad discretion as to whether to award costs and disbursements and as to the calculation of the amount to be awarded. Accordingly, MPC is unable to determine whether costs will be assessed against MPC or in what amount. However, since the costs incurred by the defendants have been substantial, and since the court has broad discretion in the awarding of costs, an award to the defendants potentially could be material. Costs may be assessed jointly and severally against nonprevailing parties. MPC has not agreed to share any costs that might be assessed against Canada Southern which initiated the lawsuit and would seek to be indemnified by Canada Southern for any such costs.

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, 2002, 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 to meet gas sales' contract requirements. MPAL's estimated cost of these proposed expenditures is approximately $11.7 million. Completion of the program is expected to increase proved developed reserves and the cost basis for depletion. During the quarter ended December 31, 2002, the Palm Valley gas reserves were increased by approximately 35% to reflect the current operating performance of the field and the capability of the field to produce additional quantities of gas. This change reduced the DD&A expense for the three months ended December 31, 2002 by approximately $249,000. In addition, based on a recent study, salvage value relating to certain equipment was included in the calculation of DD&A. This change reduced the DD&A expense by approximately $93,000 for the quarter ended December 31, 2002. The change increased net income by approximately $124,000 or $.01 per share during the three months ended December 31,2002.

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Note 5. Comprehensive income (loss)

Total comprehensive income (loss) during the three and six month periods ended December 31, 2002 and 2001 were as follows:
<TABLE>
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	Three months ended December 31,		Six months ended December 31,		Accumulated at December 31,
	2002	2001	2002	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>
Net income (loss)	$ 153,420	(731,019)	$(755,910)	$ (308,423)	
Foreign currency translation adjustments	587,064	661,246	(60,648)	5,065	$ (8,974,958)
Reclassification adjustment	44,054		44,054		
Unrealized gain (loss) on available -for-sale securities	-	(92,400)	6,160	(147,840)	-
Total comprehensive income (loss)	$784,538	$(162,173)	$(766,344)	$(451,198)	$(8,974,958)

</TABLE>

Note 6. Investment in MPAL

During the six months ended December 31, 2002, MPC purchased 135,806 shares of MPAL at an approximate cost of $128,000 and increased its ownership in MPAL from 52.0% to 52.3%. The difference between the acquisition cost of the MPAL shares and the book value of the additional MPAL interest acquired is 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 and six month periods ended December 30, 2002 and 2001 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 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>
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	Three months ended December 31,		Six months ended December 31,	
	2002	2001	2002	2001
Revenues:				
<S>	<C>	<C>	<C>	<C>
MPC	$ 798	$ 764	$ 908	$ 919
MPAL	3,772	2,998	6,849	6,767
Intersegment dividend	(686)	(624)	(686)	(624)
Total consolidated revenues	$ 3,884	$ 3,138	$ 7,071	$ 7,062

Net income (loss) before cumulative effect of accounting change:				
MPC	$ 494	$ 507	$ 343	$ 384
MPAL	345	(614)	325	(68)
Intersegment dividend	(686)	(624)	(686)	(624)
Consolidated net income (loss)	$ 153	$ (731)	$ (18)	$ (308)

Net income (loss):				
MPC	$ 494	$ 507	$ 343	$ 384
MPAL	345	(614)	(413)	(68)
Intersegment dividend	(686)	(624)	(686)	(624)
Consolidated net income (loss)	$ 153	$ (731)	$ (756)	$ (308)

</TABLE>

Note 9. 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 September 30, 2002, MPC owned approximately 2% of Sefton Resources, Inc. with a fair market value of $49,280 and a cost of $93,334 which was included in other assets.The $44,054 had been recorded as unrealized loss on available-for-sale securities as of September 30, 2002. Effective November 30, 2002, MPC sold all of its interest in Sefton Resources for $100,000 and recognized a gain of $6,666. Payment was in the form of a 10% promissory note which is payable in installments as follows: $25,000 on March 31, 2003, $25,000 on June 30, 2003 and $50,000 on September 30, 2003.

Note 10. Exploration and Dry Hole Costs

The 2002 and 2001 costs related primarily to the exploration work being performed on MPAL's offshore Western Australia properties. The costs in 2002 also include the dry hole costs (a total of $586,000) of the two wells drilled in the Cooper Basin in South Australia. 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.

Note 11. Asset Retirement Obligation

Effective July 1, 2002, the Company adopted the provisions of SFAS No. 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. The estimated liability is based on the future estimated cost of plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley and Mereenie fields in the Northern Territory of Australia. The liability is a discounted liability using a credit-adjusted risk-free rate of approximately 8%. Revisions to the liability could occur due to changes in the estimates of these costs.

Upon the adoption of SFAS 143, the Company recorded a discounted liability (Asset retirement obligation) of $3,794,000, increased oil and gas properties by $526,000 and recognized a one-time, cumulative effect after-tax charge of $738,000 (net of $316,000 deferred tax benefit and minority interest of $680,000) which has been included in net loss for the six month period ended December 31, 2002.

If the provisions of SFAS 143 had been adopted in prior years, net loss for the three and six months ended December 31, 2001 would have been increased by approximately $21,000 and $44,000, respectively. The adoption of SFAS 143 increased the net loss before cumulative effect of accounting change by

approximately $7,000 and $26,000 for the three and six months ended December 31, 2002 and is estimated to reduce fiscal year 2003 earnings before cumulative effect of accounting change by approximately $74,000.

The pro forma effects for the three and six month periods ended December 31, 2002 and 2001, assuming the adoption of SFAS 143 as of July 1, 2001, were not material to earnings per share.

A reconciliation of the Company's liability for the six months ended December 31, 2002, is as follows:

Upon adoption at July 1, 2002	$3,794,000
Liabilities incurred	-
Liabilities settled	(59,000)
Accretion expense	149,000
Revisions to estimate	-
Exchange effect	(14,000)
Balance at December 31, 2002	$3,870,000

During the current quarter, two wells were plugged and abandoned in the Mereenie field at a cost of approximately $86,000. The $27,000 difference between the amount of the asset retirement obligation of $59,000 and the abandonment costs of $86,000 is included in production costs.

Note 12. Commitments

MPAL has required commitments for exploration expenditures to evaluate certain of its exploration permits. 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 exploration costs. MPAL has entered into farmout agreements covering the Cooper Basin, the Maryborough Basin and offshore Western Australia which will reduce both the amount of MPAL's interest in the properties and the required expenditures of $2,323,000 in fiscal 2003 by approximately $900,000.

Note 13. Subsequent Events

Effective January 2, 2003, Mr. James R. Joyce, president of the Company, was granted options to purchase 50,000 shares of the Company's common stock at an exercise price of $.85 (price on date of grant)in connection with the renewal of his employment agreement. One half of the options vested immediately and the balance will vest on July 1, 2004, if Mr. Joyce continues his employment after such date.

During January 2003, MPAL participated in the drilling of the Strumbo-1 well offshore Western Australia. Since the well did not encounter any commercial quantities of hydrocarbons, the well was plugged and abandoned. Although most of the cost of the well was paid by MPAL's partner, MPAL will incur an after tax charge of approximately $60,000 in the quarter ended March 31, 2003.

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 uncertainties as to the costs, length and outcome of the Kotaneelee litigation, pricing and production levels from the properties in which the Company has interests, and the extent of the recoverable reserves at those properties. 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 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.

Asset Retirement Obligation

Effective July 1, 2002, the Company adopted the provisions of SFAS No. 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.

The estimated liability is based on the future estimated cost of plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley and Mereenie fields in the Northern Territory of Australia. The liability is a discounted liability using a credit-adjusted risk-free rate of approximately 8%. Revisions to the liability could occur due to changes in the estimates of these costs.

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.

Liquidity and Capital Resources

Consolidated

At December 31, 2002, the Company on a consolidated basis had approximately $17.8 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, 2002 is as follows:

Cash and cash equivalents at beginning of period	$15,785,000
Net cash provided by operations	2,591,000
Marketable securities purchased	(700,000)
Marketable securities sold or matured	752,000
Net additions to property and equipment	(1,633,000)
Sale of available-for-sale securities	93,000
Dividends to MPAL minority shareholders	(628,000)
Effect of exchange rate changes	(102,000)
Cash and cash equivalents at end of period	$16,158,000

Prior to the Kotaneelee field reaching undisputed payout status during fiscal year 2001, 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 at December 31, 2002 (including interest) was at least $1.5 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. The court also made no ruling on the issue of taxable costs of the litigation. Due to the uncertainty of the litigation, the Company will not accrue the $1.5 million estimated amount due until the uncertainty is resolved.

The trial was lengthy, complicated and costly to all parties. The court has very broad discretion as to whether to award costs and disbursements and as to the calculation of the amount to be awarded. Accordingly, MPC is unable to determine whether costs will be assessed against MPC or in what amount. However, since the costs incurred by the defendants have been substantial, and since the court has broad discretion in the awarding of costs, an award to the defendants potentially could be material. Costs may be assessed jointly and severally against nonprevailing parties. MPC has not agreed to share any costs that might be assessed against Canada Southern which initiated the lawsuit and would seek to be indemnified by Canada Southern for any such costs.

As to MPC

At December 31, 2002, MPC, on an unconsolidated basis, had working capital of approximately $3.1 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 2003, MPC purchased 135,806 shares of MPAL's stock at a cost of approximately $128,000 and increased its ownership in MPAL from 52.0% to 52.3%.

During November 2002, MPC received a dividend from MPAL of approximately $686,000, 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, 2002, MPC had purchased 500,850 of its shares at a cost of approximately $506,000.

As to MPAL

At December 31, 2002, MPAL had working capital of approximately $15.1

million. MPAL has budgeted approximately $3.5 million for specific exploration projects in the fiscal year 2003 as compared to the $4.1 million expended during fiscal 2002. 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 between the fiscal year 2009 and 2012.

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.

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2007. 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.

<TABLE>
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Fiscal Year	Required Expenditures	Contingent Expenditures	Total
2003	$2,323,000	$ 84,000	$ 2,407,000
2004	879,000	7,945,000	8,824,000
2005	963,000	14,113,000	15,076,000
2006	616,000	2,454,000	3,070,000
2007	-	1,421,000	1,421,000
Total	$4,781,000	$26,017,000	$30,798,000

</TABLE>

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 efforts to find partners are unsuccessful, it may be unable or unwilling to complete the exploration program for some of its properties. MPAL also expects that it will seek partners to share the exploration costs. MPAL has entered into farmout agreements covering the Cooper Basin, the Maryborough Basin and offshore Western Australia which will reduce both the amount of MPAL's interest in the properties and the required expenditures of $2,323,000 in fiscal 2003 by approximately $900,000.

The operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements to meet gas sales' contract requirements. MPAL's estimated cost of these proposed expenditures is approximately $11.7 million.

Results of Operations

New Accounting Standards

Effective July 1, 2002, the Company adopted the provisions of SFAS No. 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. The estimated liability is based on the future estimated cost of plugging the existing oil and gas wells and removing the surface facilities equipment in the Palm Valley and Mereenie fields in the Northern Territory of Australia. The liability is a discounted liability using a credit-adjusted

risk-free rate of approximately 8%. Revisions to the liability could occur due to changes in the estimates of these costs.

Upon the adoption of SFAS 143, the Company recorded a discounted liability (Asset retirement obligation) of $3,794,000, increased oil and gas properties by $526,000 and recognized a one-time, cumulative effect after-tax charge of $738,000 (net of $316,000 deferred tax benefit and minority interest of $680,000) which has been included in net loss for the six month period ended December 31, 2002.

If the provisions of SFAS 143 had been adopted in prior years, net loss for the three and six months ended December 31, 2001 would have been increased by approximately $21,000 and $44,000, respectively. The adoption of SFAS 143 increased the net loss before cumulative effect of accounting change by approximately $7,000 and $26,000 for the three and six months ended December 31, 2002 and is estimated to reduce fiscal year 2003 earnings before cumulative effect of accounting change by approximately $74,000.

The pro forma effects for the three and six month periods ended December 31, 2002 and 2001, assuming the adoption of SFAS 143 as of July 1, 2001, were not material to earnings per share.

Three months ended December 31, 2002 vs. December 31, 2001

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

	Three months ended December 31, 2002	2001
MPC unconsolidated pretax loss	$ (171,669)	$ (90,540)
MPC income tax expense	(19,591)	(26,929)
Share of MPAL pretax income (loss)	444,779	(888,754)
Share of MPAL income tax (provision) benefit	(100,099)	275,204
Consolidated net income (loss)	$ 153,420	$ (731,019)
Net income (loss) per share (basic & diluted)	$ .01	$ (.03)

Revenues

Oil sales increased 8% in the current quarter to $724,000 from $669,000 in 2001 because of a 14% increase in oil prices and the 9% Australian foreign exchange rate increase discussed below which was partially offset by a 15% 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>

	Three months ended December 31, 2002 Sales Bbls	2002 Sales Average price per bbl	2001 Sales Bbls	2001 Sales Average price per bbl
<S>	<C>	<C>	<C>	<C>
Australia-Mereenie	33,378	A.$42.24	39,275	A.$36.92

</TABLE>

Gas sales increased 25% to $2,627,000 in 2002 from $2,097,000 in 2001 because of a 4% increase in the volume of gas sold, a 10% increase in the average price of gas sold and the 9% Australian foreign exchange rate increase discussed below. Gas sales in 2002 include $82,000 ($108,000 in 2001) of gas sales from the Kotaneelee field for the production period August - October 2002. 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:
<TABLE>
<CAPTION>

	Three months ended December 31,			
	2002 Sales		2001 Sales	
	bcf	Average price per mcf	bcf	Average price per mcf
		(A.$)		(A.$)
Australia: Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.220	3.28	.252	2.97
Darwin contract	.579	2.11	.571	2.03
Australia: Mereenie				
Darwin contact	1.036	2.85	.840	2.41
Other	.009	3.59	.111	3.40
Total	1.844		1.774	

</TABLE>

Other production related revenues increased 49% to $314,000 in 2002 from $211,000 in 2001. Other production related revenues are primarily MPAL's share of gas pipeline tariff revenues which increased as a result of the higher volumes of gas sold and increased prices.

Interest and other income increased 36% to $219,000 in 2002 from $161,000 in 2001 because of the 9% Australian foreign exchange rate increase discussed below and additional funds were available for investment.

Costs and Expenses

Production costs increased 9% in 2002 to $912,000 from $839,000 in 2001 primarily because of the 9% Australian foreign exchange rate increase discussed below. During 2002, two wells were plugged and abandoned in the Mereenie field at a cost of approximately $86,000. The $27,000 difference between the amount of the asset retirement obligation of $59,000 and the abandonment costs of $86,000 is included in production costs.

Exploration and dry hole costs decreased 81% to $489,000 in 2002 from $2,565,000 in 2001. The 2002 and 2001 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. The costs in 2002 also include part ($219,000) of the dry hole costs (a total of $586,000) of the two wells drilled in the Cooper Basin in South Australia.

Salaries and employee benefits increased 70% to $536,000 in 2002 from $316,000 in 2001. During 2002, MPAL changed its classification of salary costs as overhead charged to its joint venture partners. Although this change resulted in a greater amount being shown in salaries and employee benefits there was a corresponding credit in other administrative expenses. The data to reclassify the amounts in 2001 are not currently available. In addition, there was a 9% increase in the Australian foreign exchange rate as discussed below.

Depletion, depreciation and amortization decreased 10% from $870,000 in 2001 to $782,000 in 2002. The decrease in DD&A was partially offset by the 9% increase in the Australian exchange rate discussed below. During 2002, the Palm Valley gas reserves were increased by approximately 35% to reflect the current operating performance of the field and the capability of the field to produce additional quantities of gas. This change reduced the DD&A expense for the 2002 period by approximately $249,000. In addition, based on a recent study, salvage value was included in the calculation of DD&A. This change reduced the DD&A expense by approximately $93,000 for the 2002 period.

Auditing, accounting and legal expenses increased 118% from $57,000 in 2001 to $124,000 in 2002 because of an increase in MPC's and MPAL's audit fees and the 9% increase in the Australian exchange rate discussed below.

Accretion expense was $75,000 in the 2002 period. Accretion expense represents the accretion on the Asset Retirement Obligation under SFAS 143 which was adopted effective July 1, 2002. The corresponding expense for the 2001 period would have been $64,000.

Shareholder communications increased 1% from $83,000 in 2001 to $84,000 in 2002.

Other administrative expenses decreased 11% from $222,000 in 2001 to $198,000 in 2002 because of an increase in the amount of overhead that MPAL, as operator, charged its partners during 2002. During 2002, MPAL changed its classification of salary costs as overhead charged to its joint venture partners. Although this change resulted in a greater amount being shown in salaries and employee benefits there was a corresponding credit in other administrative expenses. The increase in the amount of overhead charged was partially offset by increases in other categories of administrative expenses.

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

Income Taxes

Income tax provision increased in 2002 from a $506,000 income tax benefit in 2001 to a $212,000 income tax provision. The components of the income tax (in thousands) between MPC and MPAL were as follows:

<TABLE>
<CAPTION>

<S>	2002 <C>	2001 <C>
Pretax consolidated income (loss)	$ 683	$ (1,815)
MPC's losses not recognized	172	91
Permanent differences	(216)	(53)
Book taxable income (loss)	$ 639	$ (1,777)
Australian tax rate	30%	30%
Australian income tax benefit (provision)	$ (192)	$ 533
MPC income tax (provision)	(20)	(27)
Consolidated income tax benefit (provision)	$ (212)	$ 506
Current income tax (provision)	$ (20)	$ (27)
Deferred income tax benefit (provision)	(192)	533
Consolidated income tax benefit (provision)	$ (212)	$ 506
Effective tax rate	31%	(28)%

</TABLE>

MPAL's loss during the 2001 period resulted in the income tax benefit. MPC's 2002 and 2001 income tax provisions represent the 25% Canadian withholding tax on its Kotaneelee gas field carried interest net proceeds.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.5612 at December 31, 2002 compared to a value of $.5429 at September 30, 2002. This resulted in a $587,000 credit to the foreign currency translation adjustments account for the three months ended December 31, 2002. The average exchange rate used to translate MPAL's operations in Australia was

$.5583 for the quarter ended December 31, 2002, which is a 9% increase compared to the $.5119 rate for the quarter ended December 31, 2001.

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

Six months ended December 31, 2002 vs. December 31, 2001

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

<TABLE>
<CAPTION>

	Six months ended December 31, 2002	2001
<S>	<C>	<C>
MPC unconsolidated pretax loss	$(300,968)	$(181,774)
MPC income tax expense	(41,556)	(57,969)
Share of MPAL pretax income (loss)	412,613	(200,923)
Share of MPAL income tax (provision) benefit	(88,058)	132,243
Share of MPAL cumulative effect of accounting change	(737,941)	-
Consolidated net loss	$ (755,910)	$ (308,423)
Net loss per share (basic & diluted)	$ (.03)	$ (.01)

</TABLE>

Revenues

Oil sales decreased 10% in the current period to $1,525,000 from $1,687,000 in 2001 because of a 16% decrease in the number of units sold which was partially offset by a 1% increase in oil prices and the 8% Australian foreign exchange rate increase discussed below. 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, 2002 Sales		2001 Sales	
	Bbls	Average price per bbl	bbls	Average price per bbl
<S>	<C>	<C>	<C>	<C>
Australia-Mereenie	70,010	A.$43.24	83,117	A.$42.91

</TABLE>

Gas sales increased 14% to $4,655,000 in 2002 from $4,075,000 in 2001 because a 5% increase in the average price of gas sold, the 8% Australian foreign exchange rate increase discussed below and a 2% increase in the number of units sold. Gas sales in 2002 include $170,000 ($232,000 in 2001) of gas sales from the Kotaneelee field for the production period May - October 2002. 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)

<TABLE>
<CAPTION>

	Six months ended December 31,			
	2002 Sales		2001 Sales	
	bcf	Average price per mcf	bcf	Average price per mcf
		(A.$)		(A.$)
Australia: Palm Valley				
<S>	<C>	<C>	<C>	<C>
Alice Springs contract	.510	3.26	.558	3.10
Darwin contract	1.067	2.11	1.044	2.06
Australia: Mereenie				
Darwin contact	1.755	2.72	1.537	2.45
Other	.063	3.62	.193	3.53
Total	3.395		3.332	

</TABLE>

Other production related revenues decreased 51% to $465,000 in 2002 from $958,000 in 2001. The primary reason for this decrease was that MPAL's share of gas pipeline tariffs in 2001 included an additional amount ($472,000) of pipeline tariff revenue to reflect a resolution of a dispute regarding the calculation of the pipeline tariffs.

Interest and other income increased 24% to $425,000 in 2002 from $343,000 in 2001 because of the 8% Australian foreign exchange rate increase discussed below and additional funds were available for investment.

Costs and Expenses

Production costs increased 3% in 2002 to $1,896,000 from $1,838,000 in 2001 primarily because of the 8% increase in the Australian foreign exchange rate as discussed below. During 2002, two wells were plugged and abandoned in the Mereenie field at a cost of approximately $86,000. The $27,000 difference between the amount of the asset retirement obligation of $59,000 and the abandonment costs of $86,000 is included in production costs.

Exploration and dry hole costs decreased 53% to $1,296,000 in 2002 from $2,733,000 in 2001. The 2002 and 2001 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. The costs in 2002 also include the dry hole costs (a total of $586,000) of the two wells drilled in the Cooper Basin in South Australia.

Salaries and employee benefits increased 41% to $946,000 in 2002 from $669,000 in 2001. During 2002, MPAL changed its classification of salary costs as overhead charged to its joint venture partners. Although this change resulted in a greater amount being shown in salaries and employee benefits there was a corresponding credit in other administrative expenses. The data to reclassify the amounts in 2001 are not currently available. In addition, there was a 8% increase in the Australian foreign exchange rate as discussed below.

Depletion, depreciation and amortization was essentially unchanged from $1,663,000 in 2001 to $1,656,000 in 2002. During 2002, the Palm Valley gas reserves were increased by approximately 35% to reflect the current operating performance of the field and the capability of the field to produce additional quantities of gas. This change reduced the DD&A expense for 2002 by approximately $249,000. In addition, based on a recent study, salvage value was included in the calculation of DD&A. This change reduced the DD&A expense by

approximately $93,000 for 2002.

Auditing, accounting and legal expenses increased 59% from $167,000 in 2001 to $265,000 in 2002 because of an increase in MPC's and MPAL's audit fees and the 8% increase in the Australian exchange rate discussed below.

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

Accretion expense was $149,000 in 2002 . Accretion expense represents the accretion on the Asset Retirement Obligation under SFAS 143 which was adopted effective July 1, 2002. The corresponding expense for 2001 would have been $128,000.

Shareholder communications increased 6% from $109,000 in 2001 to $115,000 in 2002 primarily because of MPAL's increased costs in satisfying its statutory obligations in Australia as a public company and MPC's costs in holding its Annual Meeting of Shareholders.

Other administrative expenses decreased 45% from $454,000 in 2001 to $249,000 in 2002 because of an increase in the amount of overhead that MPAL, as operator, charged its partners during 2002. During 2002, MPAL changed its classification of salary costs as overhead charged to its joint venture partners. Although this change resulted in a greater amount being shown in salaries and employee benefits there was a corresponding credit in other administrative expenses. The increase in the amount of overhead charged was partially offset by increases in other categories of administrative expenses.

Income Taxes

Income tax provision decreased in 2002 from an income tax benefit of $198,000 in 2001 to an income tax provision of $213,000 in 2002. The components of income tax income (in thousands) between MPC and MPAL were as follows:

	2002	2001
Pretax consolidated income (loss)	$ 499	$ (571)
MPC's losses not recognized	301	182
Permanent differences	(232)	(463)
Book taxable income (loss)	$ 569	$ (852)
Australian tax rate	30%	30%
Australian income tax benefit (provision)	$ (171)	$ 256
MPC income tax (provision)	(42)	(58)
Consolidated income tax benefit (provision)	$ (213)	$ 198
Current income tax (provision)	$ (42)	$ (58)
Deferred income tax benefit (provision)	(171)	256
Consolidated income tax benefit (provision)	$ (213)	$ 198
Effective tax rate	43%	(36)%

MPAL's loss during the 2001 period resulted in the income tax benefit. MPC's 2002 and 2001 income tax provisions represent the 25% Canadian withholding tax on its Kotaneelee gas field carried interest net proceeds.

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

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar decreased to $.5612 at December 31, 2002 compared to its value of $.5635 at June 30, 2002. This resulted in a $61,000 charge to the foreign currency translation adjustments account for the six months ended December 31, 2002. The .4% decrease in the value of the Australian dollar decreased the reported asset and liability amounts in the balance sheet at December 31, 2002 from the June 30, 2002 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.5528 for the six months ended December 31, 2002, which is a 8% increase compared to the $.5125 rate for the six months ended December 31, 2001.

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, 2002, the carrying value of such investments (including those classified as cash and cash equivalents) was approximately $17.5 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. Disclosure Controls and Procedures

I, James R. Joyce, the principal executive officer and the principal financial officer have evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) adopted under the Securities Act of 1934) within the ninety (90) day period prior to the date of this report and have concluded:

1. That the Company's disclosure controls and procedures are adequately designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is timely made known to such officers by others within the Company and its subsidiaries, particularly during the period in which this quarterly report is being prepared; and

2. That there were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of my evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

December 31, 2002

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

(a) On December 3, 2002, the Company held its 2002 Annual General Meeting of Stockholders.

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

	Shares		Stockholders	
	For	Withheld	For	Withheld
James R. Joyce	20,945,073	1,207,969	1,733	207
Timothy L. Largay	21,141,394	1,011,648	1,733	207

</TABLE>

(c) The firm of Ernst & Young LLP was appointed as the Company's independent auditors for the year ending June 30, 2003. The vote was as follows:

<TABLE>
<CAPTION>

<S>	Shares <C>	Stockholders <C>
For	21,373,584	1,729
Against	549,877	176
Abstain	237,581	35

</TABLE>

Item 5. Other Information

During January 2003, MPAL participated in the drilling of the Strumbo-1 well offshore Western Australia. Since the well did not encounter any commercial quantities of hydrocarbons, the well was plugged and abandoned. Although most of the cost of the well was paid by MPAL's partner, MPAL will incur an after tax charge of approximately $60,000 in the quarter ended March 31, 2003.

MAGELLAN PETROLEUM CORPORATION

PART II - OTHER INFORMATION

December 31, 2002

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Employment agreement between Magellan Petroleum Corporation and James R. Joyce effective January 1, 2003.

99 (1) Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley act of 2002 executed by James R. Joyce.

(b) Reports on Form 8-K

None

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

December 31, 2002

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, 2003 By /s/ James R. Joyce

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

Form 10-Q

Magellan Petroleum Corporation

Rule 13a-14 Certification

I, James R. Joyce, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 12, 2003

/s/ James R. Joyce

James R. Joyce
President and Chief Accounting
and Financial Officer

MAGELLAN PETROLEUM CORPORATION

EMPLOYMENT AGREEMENT

Employment Agreement dated as of January 1, 2003 by and between Magellan Petroleum Corporation, a Delaware corporation (the "Company") and James R. Joyce, an individual residing in Madison, Connecticut (the "Executive").

1. Employment. Executive shall be employed as President, Chief Executive Officer and Chief Financial and Accounting Officer of Magellan Petroleum Corporation effective as of January 1, 2003, (the "Effective Date") and shall report only to the Board of Directors of the Company. The term (the "Term") of Executive's employment shall be eighteen months from the Effective Date. In the event that the Company elects not to extend the Term of this contract, it shall give notice to the Executive on or before December 31, 2003. Executive shall give notice to the Company of his desire to continue employment beyond the Term on or before December 31, 2003. Executive shall devote as much of his business time, energies, attention and ability to the business of the Company as shall be reasonably necessary to fulfill his duties as Chief Executive Officer and Chief Financial and Accounting Officer of the Company, it being understood that the Company shall be Executive's principal business commitment. Executive agrees that he will notify the Board in advance of becoming a director of any other business entity and that he will not undertake other business commitments which will substantially interfere with the fulfillment of his responsibilities to the Company. The Executive shall not be required to relocate during the Term from the Madison, Connecticut area.

2. Salary. Executive shall receive an annual base salary of $175,000 for the Term of this Agreement, to be paid in equal monthly installments in advance not later than the sixth day of each month. This base salary may be supplemented by any merit increase, bonus or additional compensation approved by the Company's Board of Directors.

3. Pension Plan. The Company shall make an annual contribution of 15% of Executive's total compensation to the Company's SEP/IRA plan.

4. Insurance Coverage. The Company shall reimburse G&O'D INC. at the rate of $500 per month for a share of Executive's medical premiums.

The Company shall continue a disability income policy on the Executive which will provide for a monthly disability benefit of $8,200 per month until the Executive reaches age 65.

5. Reimbursements and G&O'D Fees.

(a) Business Expenses. The Company shall pay or reimburse Executive for expenses reasonably incurred in the performance of his duties on behalf of the Company upon presentation of appropriate documentation thereof and in accordance with established Company policy;

(b) Rent. The Company shall reimburse G&O'D INC. for a share of the cost of maintaining and operating Executive's office. The amount shall be set at $1,833.33 per month until it is changed by mutual agreement;

(c) G&O'D Fees. The Company shall pay G&O'D fees in the amount of $2,000.00 per month for clerical support and other similar services. No other G&O'D fees will be paid by the Company without advance approval of the Board of Directors.

6. Termination; Rights Upon Termination.

6.1 Termination. Executive's employment with the Company shall be terminated upon the occurrence of any of the following:

(a) On June 30, 2004, unless it is extended by mutual agreement of the parties; (b) Executive's resignation, death or Disability; (c) A Change in Control (as defined hereafter) of the Company; (d) Three months' written notice by the Company to Executive terminating his employment without Cause. (e) Termination of Executive's employment by the Company with Cause. 6.2 Rights Upon Termination. In the event that:

(a) the employment of the Executive is terminated by reason of the Executive's resignation or Disability, then the Company shall pay and provide to the Executive at the time otherwise due under this agreement all amounts through the end of the month in which the termination occurs, but reduced by any payments received by Executive under any insurance plan, program or policy paid for by the Company;

(b) The employment of the Executive is terminated by reason of the Executive's death, then the Company shall pay and provide to the Executive's designated beneficiary, at the time otherwise due under this agreement, one year's base salary at the rate then in effect;

(c) The employment of the Executive is terminated by the Company for Cause, then the Company shall pay to the Executive at the time otherwise due all compensation and benefits accrued through the time of termination;

(d) The employment of the Executive is terminated without Cause, or by reason of a Change in Control, then the Company shall pay the Executive within ten business days of such termination the balance of his salary for the remainder of the Term.

7. Definitions.

7.1 "Cause" shall be limited to and mean only the following:

(a) Misappropriating any funds or property of the Company;

(b) Attempting to obtain any personal profit from any transaction in which the Executive has an interest which is adverse to the interest of the Company, unless Executive shall have first obtained the consent of the Board of Directors;

(c) Neglect or unreasonable refusal to perform the duties assigned to Executive under or pursuant to this Agreement; (d) Being convicted of any felony or an offense involving moral turpitude. 7.2 "Disability" shall be deemed to have occurred when Executive shall be unable to perform the duties of his employment
with the Company for an aggregate period of more than 90 days in a consecutive period of 52 weeks, due to physical or mental impairment (other than as a result of addiction to alcohol or any drug) as determined by a physician acceptable to the Company and Executive.

7.3 "Change of Control." For the purpose of this Agreement, a \ Change of Control shall mean:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"))(a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 7.3; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in

the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company (or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company. Anything herein to the contrary notwithstanding, if the Incumbent Board (as defined in Section 7.3(b) hereof, including the provided however clause) by a majority vote of directors then in office, consents in advance to any action, event, or occurrence set forth in Sections 7.3(a), (b), (c) or (d) hereof which would otherwise be deemed to be a Change in Control, such action, event, or occurrence shall not be deemed to be a Change in Control.

8. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by act by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it.

9. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. (c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

James R. Joyce

c/o G&O'D Inc.
P.O. Box 1146
Madison, Connecticut 06443-1146

If to the Company:
Magellan Petroleum Corporation
c/o Murtha Cullina LLP
CityPlace I
185 Asylum Street
Hartford, Connecticut 06103-3469

Attention: Timothy L. Largay, Esq.

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute on and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

/S/ James R. Joyce

Executive

MAGELLAN PETROLEUM CORPORATION

By /s/ Timothy L. Largay

Timothy L. Largay
Secretary

Exhibit 99 (1)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Magellan Petroleum Corporation (the "Company") on Form 10-Q for the period ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James R. Joyce, President and Chief Accounting and Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 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.

Date: February 12, 2003

By /s/ James R. Joyce

James R. Joyce
President and Chief Accounting
and Financial Officer