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, 2003

[ ] 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.)
P.O. Box 1146, Madison, Connecticut	06443-1146
(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

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

The number of shares outstanding of the issuer's single class of common stock as of February 11, 2004 was 25,727,376.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

December 31, 2003

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PART I - FINANCIAL INFORMATION

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CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2003	June 30, 2003
Current assets:	(unaudited)	(Note)
<S>	<C>	<C>
Cash and cash equivalents	$19,584,215	$20,041,464
Accounts and notes receivable	4,788,535	5,273,999
Marketable securities	2,343,653	1,796,503
Inventories	416,201	423,931
Other assets	246,900	297,118
Total current assets	27,379,504	27,833,015
Marketable securities	390,000	390,000
Property and equipment:		
Oil and gas properties (successful efforts method)	73,796,132	59,407,254
Land, buildings and equipment	2,391,847	2,093,555
Field equipment	1,596,281	1,421,636
	77,784,260	62,922,445
Less accumulated depletion, depreciation and amortization	(49,331,387)	(41,330,271)
Net property and equipment	28,452,873	21,592,174

Other assets	1,035,049	926,168
Total assets	$57,257,426	$50,741,357
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,893,049	$ 4,709,281
Accrued liabilities	1,589,561	1,218,997
Income taxes payable	90,318	106,246
Total current liabilities	5,572,928	6,034,524
Long term liabilities:		
Deferred income taxes	1,902,273	1,770,727
Asset retirement obligations	5,190,041	3,858,263
Total long term liabilities	7,092,314	5,628,990
Minority interests	17,642,386	16,930,838
Commitments (Note 12)	-	-
Stockholders' equity:		
Common stock, par value $.01 per share:		
Authorized 200,000,000 shares		
Outstanding 25,727,376 and 24,427,376 shares	257,274	244,274
Capital in excess of par value	44,402,741	42,907,741
Total capital	44,660,015	43,152,015
Accumulated deficit	(15,036,831)	(15,598,483)
Accumulated other comprehensive loss	(2,673,386)	(5,406,527)
Total stockholders' equity	26,949,798	22,147,005
Total liabilities, minority interests and stockholders' equity	$57,257,426	$50,741,357

</TABLE>

Note: The balance sheet at June 30, 2003 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

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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,	
	2003	2002	2003	2002
Revenues:				
<S>	<C>	<C>	<C>	<C>

Oil sales	$ 1,181,111	$ 724,315	$2,274,213	$1,525,303
Gas sales	3,087,632	2,626,559	6,918,131	4,655,498
Other production related revenues	329,713	314,229	802,619	465,034
Interest and other income	242,022	218,773	577,434	425,349
	----------	----------	----------	----------
Total revenues	4,840,478	3,883,876	10,572,397	7,071,184
	----------	----------	----------	----------
Costs and expenses:				
Production costs	1,478,694	912,143	2,777,749	1,896,078
Exploration and dry hole costs	1,338,733	489,101	1,904,932	1,295,746
Salaries and employee benefits	717,651	535,613	1,280,606	946,127
Depletion, depreciation and amortization	1,665,642	782,402	2,743,601	1,656,328
Auditing, accounting and legal services	98,996	123,726	240,405	265,133
Accretion expense	88,591	75,179	170,464	148,864
Shareholder communications	87,717	84,189	120,482	114,768
Other administrative expenses	158,158	198,376	295,932	249,402
	----------	----------	---------	----------
Total costs and expenses	5,634,182	3,200,729	9,534,171	6,572,446
	----------	----------	---------	---------
Income (loss) before income taxes, minority interests and cumulative effect of accounting change	(793,704)	683,147	1,038,226	498,738
Income tax (provision) benefit	61,874	(212,348)	(348,868)	(213,200)
	---------	-----------	----------	-----------
Income (loss) before minority interests and cumulative effect of accounting change	(731,830)	470,799	689,358	285,538
Minority interests	226,196	(317,379)	(127,706)	(303,507)
	----------	-----------	----------	----------
Income (loss) before cumulative effect of accounting change	(505,634)	153,420	561,652	(17,969)
Cumulative effect of accounting change - net	-	-	-	(737,941)
	-------------	-----------	----------	-----------
Net income (loss)	$ (505,634)	$ 153,420	$ 561,652	$ (755,910)
	=============	===========	==========	===========
Average number of shares outstanding				
Basic	25,727,376	24,607,376	25,355,947	24,607,376
	==========	==========	==========	==========
Diluted	25,727,376	24,607,376	25,363,042	24,607,376
	==========	==========	==========	==========
Net income (loss) per share (basic and diluted)				
Before cumulative effect of accounting change	$ (.02)	$ .01	$ .02	$ -
Cumulative effect of accounting change-net	-	-	-	(.03)
	-------	----	-----	------
Net income (loss)	$ (.02)	$ 01	$ .02	$ (.03)
	=======	====	=====	======

See accompanying notes.

</TABLE>

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Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Six months ended December 31,	

	2003	2002
	--------------	------------

Operating Activities:		
<S>	<C>	<C>
Net income (loss)	$ 561,652	$ (755,910)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Cumulative effect of accounting change	-	2,025,690
Depletion, depreciation and amortization	2,743,601	1,656,328
Accretion expense	170,464	148,864
Deferred income taxes	(81,228)	(448,666)
Minority interests	127,706	(376,535)
Change in operating assets and liabilities:		
Accounts and notes receivable	452,777	(280,806)
Other assets	(65,341)	(40,398)
Inventories	4,869	(145,284)
Accounts payable and accrued liabilities	(353,935)	821,902
Income taxes payable	(15,928)	44,754
Asset retirement obligations	-	(58,901)
Net cash provided by operating activities	3,544,637	2,591,038
Investing Activities:		
Marketable securities purchased	(3,166,201)	(700,000)
Marketable securities sold or matured	2,619,051	751,579
Sale of available-for-sale securities	-	93,334
Net additions to property and equipment	(4,250,536)	(1,632,758)
Net cash used in investing activities	(4,797,686)	(1,487,845)
Financing Activities:		
Dividends to MPAL minority shareholders	(744,971)	(628,209)
Net cash used in financing activities	(744,971)	(628,209)
Effect of exchange rate changes on cash and cash equivalents	1,540,771	(102,260)
Net increase (decrease) in cash and cash equivalents	(457,249)	372,724
Cash and cash equivalents at beginning of year	20,041,464	15,784,851
Cash and cash equivalents at end of period	$19,584,215	$16,157,575

See accompanying notes.

</TABLE>

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December 31, 2003

Item 1. Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

Magellan Petroleum Corporation (the Company or MPC) is engaged in the sale of oil and gas and the exploration for and development of oil and gas reserves. At December 31, 2003, MPC's principal asset was a 55% equity interest in its subsidiary, Magellan Petroleum Australia Limited (MPAL), which has one class of stock that is publicly held and traded in Australia. MPAL's major assets are two petroleum production leases covering the Mereenie oil and gas field (35% working interest) and one petroleum production lease covering the Palm Valley gas field (52% working interest). Both fields are located in the

Amadeus Basin in the Northern Territory of Australia. MPC has a direct 2.67% carried interest in the Kotaneelee gas field in the Yukon Territory of Canada.

The accompanying unaudited consolidated financial statements include the accounts of MPC and MPAL and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three and six month periods ended December 31, 2003 are not necessarily indicative of the results that may be expected for the year ending June 30, 2004. 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, 2003. All amounts presented are in United States dollars, unless otherwise noted.

Note 2. Kotaneelee Litigation

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

Gas sales	$1,135,000
Interest income	102,000
Canadian withholding taxes	(386,000)
Total	$ 851,000

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Item 1. Notes to Consolidated Financial Statements

Note 3. Capital and stock options

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. Through December 31, 2003, the Company had purchased 680,850 of its shares at a cost of approximately $686,000, all of which have been cancelled.

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

Options outstanding	Expiration Dates	Number of shares	Exercise Prices ($)
June 30, 1999		196,000	1.57
Granted	Feb. 2005	745,000	1.28
June 30, 2000		941,000	1.28-1.57

Expired		(20,000)	1.57

June 30, 2001		921,000	1.28-1.57
Expired		(50,000)	1.57

June 30, 2002		871,000	1.28-1.57
Granted	Jan. 2008	50,000	.85

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

December 31, 2003		770,000	.85-1.28
		=======	
		($1.27 weighted average)	

Summary of Options Outstanding at December 31, 2003
- ---

	Expiration Dates	Total	Vested	Exercise Prices ($)
	-------------	-----	------	----------
Granted 2000	Feb. 2005	745,000	745,000	1.28
Granted 2003	Jan. 2008	25,000	25,000	.85
		--------	------	
Total		770,000	770,000	
		=======	=======	

Options reserved for future grants 230,000
- ---------------------------------- =======

On October 20, 2003, options to purchase 126,000 shares of the Company's common stock expired without being exercised. On December 31, 2003, unvested options to purchase 25,000 shares of the Company's common stock were cancelled when the terms of the grant were not satisfied.

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The assumptions used in the 2000 valuation model were: risk free interest rate - 6.65%, expected life - - 5 years, expected volatility - .419, expected dividend - 0. The assumptions used in the 2003 valuation model were: risk free interest rate - 3.16%, expected life - 5 years, expected volatility - .439, expected dividend - 0.

Item 1. Notes to Consolidated Financial Statements
- ------- ---

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

<TABLE>
<CAPTION>

<S>	Three months ended December 31, 2003 <C>	<C>	Three months ended December 31, 2002 <C>	<C>
Net income (loss) as reported	$(505,634)	$(.02)	$153,420	$ .01
Stock option expense	-	-	(3,900)	-

Pro forma net income (loss)	$(505,634)	$(.02)	$149,520	$ .01

</TABLE>

<TABLE>
<CAPTION>

<S>	Six months ended December 31, 2003 <C>	<C>	Six months ended December 31, 2002 <C>	<C>
Net income (loss) as reported	$561,652	$.02	$(755,910)	$ (.03)
Stock option expense	-	-	(7,800)	-
Pro forma net income (loss)	$561,652	$.02	$(763,710)	$ (.03)

</TABLE>

On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, MPC's interest in MPAL increased to 55% from 52.44%. The value on July 10, 2003 of the Company's common stock issued to Origin Energy increased the amount of common stock by $13,000 and increased capital in excess of par value by $1,495,000 for a total of $1,508,000. On October 8, 2003, the Company filed a registration statement on Form S-3 to register the 1.3 million shares issued to Origin Energy for resale. The Company estimates that the registration statement will be effective during February 2004.

Item 1. Notes to Consolidated Financial Statements

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

The operator of the Mereenie field is implementing an extensive program for additional drilling and capital improvements to meet gas sales' contract requirements. The Mereenie Producers have agreed to install additional compression equipment in the field at a cost of $13.1 million (MPAL share $4.6 million) that will increase field deliverability and partially meet certain gas contract requirements. In addition, two gas wells will be drilled to meet the gas contractual requirements until June 2007.

Note 5. Comprehensive income (loss)

Total comprehensive income (loss) during the three and six month periods ended December 31, 2003 and 2002 were as follows:
<TABLE>
<CAPTION>

	Three months ended December 31,		Six months ended December 31,		Accumulated other comprehensive loss
	2003	2002	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>
Balance at June 30, 2003					$(5,406,527)
Net income (loss)	$ (505,634)	$153,420	$ 561,652	$(755,910)	
Foreign currency translation adjustments	2,491,304	587,064	2,733,141	(60,648)	2,733,141
Reclassification adjustment	-	44,054	-	44,054	

Unrealized gain on available -for-sale securities	-	-	-	6,160	-
Total comprehensive income (loss)	$1,985,670	$784,538	$3,294,793	$(766,344)	
Balance at December 31, 2003					$(2,673,386)

</TABLE>

Note 6. Investment in MPAL

On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, MPC's interest in MPAL increased to 55% from 52.44%. The value on July 10, 2003 of the Company's common stock issued to Origin Energy increased the amount of common stock by $13,000 and increased capital in excess of par value by $1,495,000 for a total of $1,508,000. The difference of approximately $661,000 between the acquisition cost of the MPAL shares and the book value of the additional MPAL interest acquired was allocated to oil and gas properties.

Note 7. Earnings per share

Earnings per common share are based upon the weighted average number of common and common equivalent shares outstanding during the period. The Company's basic and diluted calculations of EPS are the same for the three months ended December 31, 2003 and 2002 and the six month period ended December 31, 2002 because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive.The potential dilution items are the outstanding stock options disclosed in Note 3.

Item 1. Notes to Consolidated Financial Statements

Note 8. Segment Information

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

<TABLE>
<CAPTION>

	Three months ended December 31,		Six months ended December 31,	
	2003	2002	2003	2002
Revenues:				
<S>	<C>	<C>	<C>	<C>
MPC	$ 1,014	$ 798	$ 2,366	$ 908
MPAL	4,737	3,772	9,117	6,849
Intersegment dividend	(911)	(686)	(911)	(686)
Total consolidated revenues	$ 4,840	$ 3,884	$ 10,572	$ 7,071

Net income (loss) before cumulative

effect of accounting change:				
MPC	$ 682	$ 494	$1,317	$ 343
MPAL	(276)	345	156	325
Intersegment dividend	(911)	(686)	(911)	(686)
Consolidated net income (loss)	$ (505)	$ 153	$ 562	$ (18)
Net income (loss):				
MPC	$ 682	$ 494	$1,317	$ 343
MPAL	(276)	345	156	(413)
Intersegment dividend	(911)	(686)	(911)	(686)
Consolidated net income (loss)	$ (505)	$ 153	$ 562	$ (756)

</TABLE>

Note 9. Unrealized Gain on Securities Held for Investment

During 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 2000, the purchaser became a public company, Sefton Resources, Inc. 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 (secured by the Sefton Resources shares). The unpaid balance of $90,000 at December 31, 2003, is being paid in monthly installments of $3,000, plus interest.

Item 1. Notes to Consolidated Financial Statements

Note 10. Exploration and Dry Hole Costs

The 2003 and 2002 costs related primarily to the exploration work being performed on MPAL's properties. The dry holes were drilled on MPAL properties in Australia and New Zealand.

Note 11. Asset Retirement Obligations

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 obligations) 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 was included in net loss for the six month period ended December 31, 2002.

A reconciliation of the Company's asset retirement obligations for the six months ended December 31, 2003, is as follows:

Balance at July 1, 2003	$3,858,000
Liabilities incurred	633,000
Liabilities settled	-
Accretion expense	170,000
Revisions to estimate	-
Exchange effect	529,000
Balance at December 31, 2003	$5,190,000

During the six month period ended December 31, 2003, the Company recorded a liability in the amount of $526,000 for the Nockatunga project in the Eromanga Basin in Queensland and $107,000 for the Kotaneelee gas field in Canada. The Kotaneelee settlement agreement provides that the carried interest partners will share in the abandonment of the Kotaneelee field wells and facilities.

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Item 1. Notes to Consolidated Financial Statements

Note 12. Commitments

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2008 and its capital expenditure commitments for the fiscal year 2004. The amount of capital expenditures for the period 2005-2008 are not known at this time. 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	Capital Expenditures	Exploration Required Expenditures	Exploration Contingent Expenditures	Total
2004	$2,652,000	$2,693,000	$ 4,713,000	$ 10,058,000
2005	-	859,000	18,431,000	19,290,000
2006	-	253,000	5,327,000	5,580,000
2007	-	-	855,000	855,000
2008		-	1,081,000	1,081,000
Total	$2,652,000	$3,805,000	$30,407,000	$36,864,000

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

Note 13. Accounts and Notes Receivable

Accounts and notes receivable consist primarily of the amounts due from the sale of oil and gas ($3,019,000) and the amounts due from working interest partners ($1,668,000).

Note 14. Pension plan costs

Pension plan costs for the three and six month periods ended December 31, 2003 and 2002 were as follows:

Three months ended   Six months ended

December 31,		December 31,	
2003	2002	2003	2002
$39,529	$35,218	$84,108	$74,949

The individual components of net pension expense for pension plan costs were not significantly different during the periods.

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

Forward Looking Statements

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

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

Critical Accounting Policies

Oil and Gas Properties

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

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

Asset Retirement 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 was 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. During the six months ended December 31, 2003, the Company recorded a liability for the Nockatunga project using a credit-adjusted risk-free rate of 6.25% and for the Kotaneelee gas field using a credit-adjusted risk-free rate of 4.5%.

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

Revenue Recognition

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

Use of Estimates

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

Liquidity and Capital Resources

Consolidated

At December 31, 2003, the Company on a consolidated basis had approximately $22.3 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, 2003 is as follows:

Cash and cash equivalents at beginning of period	$20,041,000
Net cash provided by operations	3,545,000
Marketable securities purchased (matured) net	(547,000)
Net additions to property and equipment	(4,251,000)
Dividends to MPAL minority shareholders	(745,000)
Effect of exchange rate changes	1,541,000

Cash and cash equivalents at end of period	$19,584,000
	===========

Net cash provided by operations
- -------------------------------

Net cash provided by operations increased $954,000 from $2,591,000 during the 2002 period compared to $3,545,000 in the 2003 period. Cash funds derived from operations increased $1,272,000 during the 2003 period, which was offset by the $318,000 decrease in changes in operating assets and liabilities during the 2003 period. The primarily reason for the increase in cash funds derived from operations during the 2003 period is the nonrecurring settlement payment of $851,000 from the Kotaneelee litigation.

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

Marketable securities purchased and sold or matured
- ---

During the 2003 period, part of the proceeds of the Kotaneelee gas field settlement was invested in securities with maturities for more than three months.

Net additions to property and equipment
- ---------------------------------------

The net additions to property and equipment of $4,251,000 are primarily the purchase of the Nockatunga project for approximately $1,400,000 and the upgrading of the Mereenie field.

Dividends to MPAL minority shareholders
- ---------------------------------------

During November 2003, MPAL paid a dividend of A.$.05 per share to all of its shareholders which totaled $1,656,000. MPC's share of the dividend was approximately $911,000 and the amount paid to the minority shareholders was $745,000.

Effect of exchange rate changes
- -------------------------------

The value of the Australian dollar relative to the U.S. dollar increased 12% to $.7529 at December 31, 2003, compared to a value of $.6737 at June 30, 2003.

As to MPC
- ---------

At December 31, 2003, MPC, on an unconsolidated basis, had working capital of approximately $4.0 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 or increase its majority ownership interest in its subsidiary. On July 10, 2003, a subsidiary of Origin Energy, Sagasco Amadeus Pty. Limited, agreed to exchange 1.2 million shares of MPAL for 1.3 million shares of the Company's common stock. After the exchange, the Company's interest in MPAL increased to 55% from 52.44%.

During November 2003, MPC received a dividend of approximately $911,000 from MPAL.

During December 2000, MPC announced a stock repurchase plan to purchase up to one million shares of its common stock in the open market. Through December 31, 2003, MPC had purchased 680,850 of its shares at a cost of approximately $686,000, all of which have been cancelled. No purchases of shares were made by MPC during the six months ended December 31, 2003.

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

As to MPAL

At December 31, 2003, MPAL had working capital of approximately $17.8 million. MPAL has budgeted approximately $3.4 million for specific exploration projects in fiscal year 2004 as compared to the $4.5 million expended during fiscal 2003. However, the total amount to be expended may vary depending on when various projects reach the drilling phase. MPAL's future revenues are expected to be derived from the sale of gas in Australia, based on its current composition of oil and gas reserves. MPAL's current contracts for the sale of Palm Valley and Mereenie gas will expire during fiscal year 2009. Unless MPAL is able to obtain additional contracts for its remaining gas reserves or be successful in its current exploration program, its revenues will be materially reduced after 2009.

The following is a summary of MPAL's required and contingent commitments for exploration expenditures for the five year period ending June 30, 2008 and its capital expenditure commitments for the fiscal year 2004. The amount of capital expenditures for the period 2005-2008 are not known at this time. 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	Capital Expenditures	Exploration Required Expenditures	Exploration Contingent Expenditures	Total
2004	$2,652,000	$2,693,000	$ 4,713,000	$ 10,058,000
2005	-	859,000	18,431,000	19,290,000
2006	-	253,000	5,327,000	5,580,000
2007	-	-	855,000	855,000
2008		-	1,081,000	1,081,000
Total	$2,652,000	$3,805,000	$30,407,000	$36,864,000

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.

Results of Operations

New Accounting Standards

Effective July 1, 2000, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. In April 2003, the Financial Accounting Standards Board (FASB) issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which amends SFAS No. 133. This new statement incorporates interpretations that were included in previous Derivative Implementation Group (DIG) guidance, clarifies certain conditions, and amends other existing pronouncements. It is effective for contracts entered into or modified after June 30, 2003. Management has determined that the adoption of SFAS No. 149 did not have an impact on the Company's financial statements.

In January 2003, the FASB issued Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities," was effective for the Company on December 31, 2003. FIN 46 requires that the party to a VIE that absorbs the majority of the VIE's losses, defined as the "primary beneficiary," consolidate the VIE. The Company has determined that it is not required to consolidate or disclose information about a VIE. In December 2003, the FASB issued a revised version of FIN 46R that is effective for the Company on March 31, 2004. FIN 46R is not expected to have an impact on the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards on how to classify and measure certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise effective for the Company for the first quarter of fiscal 2004. The adoption of SFAS No. 150 did not have an impact on the Company's financial statements.

In December 2003, the FASB issued SFAS No. 132 (Revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." (SFAS No. 132R) This statement revises employers' disclosures about pension plans and other postretirement benefit plans, requires additional disclosures about the assets, obligations, cash flows, and the net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans and requires companies to disclose various elements of pension and postretirement benefit costs in interim period financial statements. The annual disclosures in SFAS No. 132R are effective for the Company's defined benefit pension plan for the fiscal year ending June 30, 2004, while the new interim period disclosures are required for the quarter ended December 31, 2003. The required disclosures are included in Note 14. Pension plan costs.

Three months ended December 31, 2003 vs. December 31, 2002

Revenues

Oil sales increased 63% in the 2003 quarter to $1,181,000 from $724,000 in 2002 because of a 28% Australian foreign exchange rate increase discussed below and new oil sales from the Cooper Basin and the Nockatunga project. Oil unit sales are expected to continue to decline in the Mereenie field 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,			
2003 Sales		2002 Sales	
Bbls	Average price A.$ per bbl	Bbls	Average price A.$ per bbl

Australia:

<S>	<C>	<C>	<C>	<C>
Mereenie field	36,100	40.02	33,378	42.24
Cooper Basin	1,781	37.49	-	-
Nockatunga project	10,229	35.25	-	-
Total	48,110	38.91	33,378	42.24

</TABLE>

Gas sales increased 18% to $3,088,000 in 2003 from $2,627,000 in 2002 because of the 28% Australian foreign exchange rate increase discussed below.

	Three months ended December 31, 2003	2002
Australia	$2,996,000	$2,545,000
Canada-recurring	92,000	82,000
Total	$3,088,000	$2,627,000

During the 2003 period, the volume of gas sold in Australia decreased 4%, and the average price of gas sold decreased 3%. 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,

	2003 Sales		2002 Sales	
	A.$ average price per mcf		A.$ average price per mcf	
	bcf	mcf	Bcf	mcf
<S>	<C>	<C>	<C>	<C>
Australia: Palm Valley	.714	2.25	.799	2.43
Australia: Mereenie	1.064	2.84	1.045	2.86
Total	1.778	2.60	1.844	2.67

</TABLE>

Other production related revenues increased 5% to $330,000 in 2003 from $314,000 in 2002. Other production related revenues are primarily MPAL's share of gas pipeline tariff revenues.

Interest and other income increased 11% to $242,000 in 2003 from $219,000 in 2002 primarily because of the 28% Australian foreign exchange rate increase discussed below that was partially offset by less funds in Australia to invest and lower interest rates.

Costs and Expenses

Production costs increased 62% in 2003 to $1,479,000 from $912,000 in 2002 in part because of the 28% Australian foreign exchange rate increase discussed below. During 2003, production costs also increased because of the

Nockatunga project ($176,000) and the Cooper Basin ($25,000).

Exploration and dry hole costs increased 174% to $1,339,000 in 2003 from $489,000 in 2002. The 2003 and 2002 costs related to the exploration work being performed on MPAL's properties. For the 2003 period, exploration costs totaled $473,000 and dry hole costs totaled $866,000. For the 2002 period, exploration costs totaled $270,000 and dry hole costs totaled $219,000. The dry holes were drilled on MPAL properties in Australia and New Zealand. In addition there was a 28% Australian foreign exchange rate increase discussed below.

Salaries and employee benefits increased 34% to $718,000 in 2003 from $536,000 in 2002. During the 2003 period, there was a 28% increase in the Australian foreign exchange rate as discussed below. In addition, there were also regular annual increases in salaries.

Depletion, depreciation and amortization increased 113% from $782,000 in 2002 to $1,666,000 in 2003. During the 2003 period, there was a 28% increase in the Australian foreign exchange rate as discussed below. Depletion expense for the Palm Valley and Mereenie fields increased 52% during the period primarily because of the increased costs of the current Mereenie development program and in the 2002 period the Palm Valley reserves were increased by 35%. In addition, $206,000 in DD&A was also recorded for the Nockatunga project and the Cooper Basin. The reserves in the Cooper Basin were reduced by 50% from 50,000 barrels to 25,000 barrels during the current period because of lower oil production than estimated. DD&A increased by approximately $47,000 because of this change in reserves.

Auditing, accounting and legal expenses decreased 20% in 2003 to $99,000 from $124,000 in 2002 primarily because the 2002 period included higher audit fees in connection with the adoption of the new accounting standard for asset retirement obligations.

Accretion expense increased 19% in the 2003 period from $75,000 in 2002 to $89,000 in 2003. Accretion expense represents the accretion on the asset retirement obligations (ARO) under SFAS 143 that was adopted effective July 1, 2002. During the fourth quarter of fiscal year 2003, there was a revision of estimates that reduced the amount of ARO. The decrease in the 2003 period was offset by the 28% increase in the Australian foreign exchange rate as discussed below and the additions for the Nockatunga project and the Kotaneelee gas field.

Shareholder communications costs increased 5% from $84,000 in 2002 to $88,000 in 2003 primarily because of MPC and MPAL's increased costs related to their status as public companies.

Other administrative expenses decreased 20% from $198,000 in 2002 to $158,000 in 2003. During the 2003 period, there was a 28% increase in the Australian foreign exchange rate as discussed below. In addition, there were increases in directors' fees and expenses, rent and travel expenses during the 2003 period. These increases were offset by the amount of overhead that MPAL, as operator, charged its partners during 2003.

Income Taxes

Income tax provision decreased in 2003 to a tax benefit of $62,000 from a tax provision of $212,000 in 2002. The components of the income tax (in thousands) between MPC and MPAL were as follows:

	2003	2002
Pretax consolidated income (loss)	$(794)	$ 683
MPC's loss not recognized	206	172
Permanent differences	(159)	(216)

Book taxable income (loss)	$(747)	$ 639
	======	=====
Australian tax rate	30%	30%
	===	===
Australian income tax benefit (provision)	$ 224	$(192)
Tax benefit of MPAL losses reversed	(139)	-
MPC income tax (provision)	(23)	(20)
	------	-----
Income tax benefit (provision)	$ 62	$(212)
	====	======
Current income tax (provision)	$(23)	$(27)
Deferred income tax (provision) benefit	85	(192)
	----	------
Income tax benefit (provision)	$62	$ (212)
	===	=======
Effective tax rate	8%	31%
	==	===

MPC's 2003 and 2002 income tax provisions represent the 25% Canadian withholding tax on its Kotaneelee gas field carried interest net proceeds. The tax benefit of $139,000 in the prior quarter has been reversed because of the current period loss. As of June 30, 2003, MPAL had an operating loss of $5,550,000 from financing the exploration activities, the $1,665,000 benefit of which had not been taken into account because there was no assurance at the time that the loss benefit would be realized.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.7529 at December 31, 2003 compared to a value of $.6813 at September 30, 2003. This resulted in a $2,491,000 credit to the foreign currency translation adjustments account for the three months ended December 31, 2003. The average exchange rate used to translate MPAL's operations in Australia was $.7167 for the quarter ended December 31, 2003, which is a 28% increase compared to the $.5583 rate for the quarter ended December 31, 2002.

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

Six months ended December 31, 2003 vs. December 31, 2002

Revenues

Oil sales increased 49% in the 2003 quarter to $2,274,000 from $1,525,000 in 2002 because of a 24% Australian foreign exchange rate increase discussed below and new oil sales from the Cooper Basin and the Nockatunga project. Oil unit sales are expected to continue to decline in the Mereenie field 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,			
	2003 Sales		2002 Sales	
		Average price		Average price

	Bbls	A.$ per bbl	Bbls	A.$ per bbl
Australia:				
Mereenie field	69,016	40.33	70,010	43.24
Cooper Basin	4,662	35.69	-	-
Nockatunga project	18,267	35.90	-	-
Total	91,945	39.21	70,010	43.24

Gas sales increased 49% to $6,918,000 in 2003 from $4,655,000 in 2002 because of the 24% Australian foreign exchange rate increase discussed below and the proceeds from the Canadian Kotaneelee gas field settlement.

	Six months ended December 31, 2003	2002
Australia	$5,592,000	$4,485,000
Canada-recurring	191,000	170,000
Canada-settlement	1,135,000	-
Total	$6,918,000	$4,655,000

During the 2003 period, the volume of gas sold in Australia increased 3% but the average price of gas sold decreased 2%. 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:

	Six months ended December 31,			
	2003 Sales		2002 Sales	
		A.$ average price per mcf		A.$ average price per mcf
	bcf	mcf	bcf	mcf
Australia: Palm Valley	1.456	2.21	1.577	2.48
Australia: Mereenie	2.029	2.82	1.818	2.75
Total	3.485	2.56	3.395	2.62

Other production related revenues increased 72% to $802,000 in 2003 from $465,000 in 2002. 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 because of the 24% Australian foreign exchange rate increase discussed below.

Interest and other income increased 36% to $577,000 in 2003 from $425,000 in 2002 primarily because of the $102,000 interest received from the funds held in escrow from the Kotaneelee settlement and because of the 24% Australian foreign exchange rate increase discussed below.

Costs and Expenses

Production costs increased 47% in 2003 to $2,778,000 from $1,896,000 in

2002 in part because of the 24% Australian foreign exchange rate increase discussed below. During 2003, production costs also increased because of the new costs of Nockatunga project ($343,000) and the Cooper Basin ($42,000).

Exploration and dry hole costs increased 47% to $1,905,000 in 2003 from $1,296,000 in 2002. The 2003 and 2002 costs related to the exploration work being performed on MPAL's properties. For the 2003 period, exploration costs totaled $774,000 and dry hole costs totaled $1,131,000. For the 2002 period, exploration costs totaled $710,000 and dry hole costs totaled $586,000. The dry holes were drilled on MPAL properties in Australia and New Zealand. In addition there was a 24% Australian foreign exchange rate increase discussed below.

Salaries and employee benefits increased 35% to $1,281,000 in 2003 from $946,000 in 2002. During the 2003 period, there was a 24% increase in the Australian foreign exchange rate as discussed below. In addition, there were also regular annual increases in salaries.

Depletion, depreciation and amortization increased 66% from $1,656,000 in 2002 to $2,744,000 in 2003. During the 2003 period, there was a 24% increase in the Australian foreign exchange rate as discussed below. Depletion expense for the Palm Valley and Mereenie fields increased 28% during the period primarily because of the increased costs of the current Mereenie development program and in the 2002 period the Palm Valley reserves were increased by 35%. In addition, $206,000 in DD&A was also recorded for the Nockatunga project and the Cooper Basin. The reserves in the Cooper Basin were reduced by 50% from 50,000 barrels to 25,000 barrelsduring the current period because of lower oil production than estimated. DD&A increased by approximately $47,000 because of this change in reserves.

Auditing, accounting and legal expenses decreased 9% in 2003 to $240,000 from $265,000 in 2002 primarily because the 2002 period included higher audit fees in connection with the adoption of the new accounting standard for asset retirement obligations.

Accretion expense increased 14% in the 2003 period from $149,000 in 2002 to $170,000 in 2003. Accretion expense represents the accretion on the asset retirement obligations (ARO) under SFAS 143 that was adopted effective July 1, 2002. During the fourth quarter of fiscal year 2003, there was a revision of estimates that reduced the amount of ARO. The decrease in the 2003 period was offset by the 24% increase in the Australian foreign exchange rate as discussed below and the additions for the Nockatunga project and the Kotaneelee gas field.

Shareholder communications costs increased 4% from $115,000 in 2002 to $120,000 in 2003 primarily because of MPC and MPAL's increased costs related to their status as public companies.

Other administrative expenses increased 19% from $249,000 in 2002 to $296,000 in 2003. During the 2003 period, there was a 24% increase in the Australian foreign exchange rate as discussed below. In addition, there were increases in directors' fees and expenses, rent and travel expenses during the 2003 period. These increases were offset by the amount of overhead that MPAL, as operator, charged its partners during 2003.

Income Taxes

Income tax provision increased in 2003 to $349,000 from $213,000 in 2002. The components of the income tax (in thousands) between MPC and MPAL were as follows:

	2003	2002
Pretax consolidated income	$1,038	$ 499
MPC's (income) loss not recognized	(839)	301
Permanent differences	(482)	(232)

Book taxable income (loss)	$ (283)	$ 569
Australian tax rate	30%	30%
Australian income tax benefit (provision)	$ 85	$ (171)
MPC income tax (provision)	(434)	(42)
Income tax (provision)	$ (411)	$ (213)
Current income tax (provision)	$(434)	$ (42)
Deferred income tax benefit (provision)	85	(171)
Income tax provision	$(349)	$ (213)
Effective tax rate	33%	43%

MPC's 2003 and 2002 income tax provisions represent the 25% Canadian withholding tax on its Kotaneelee gas field carried interest net proceeds. As of June 30, 2003, MPAL had an operating loss of $5,550,000 from financing the exploration activities, the $1,665,000 benefit of which had not been taken into account because there was no assurance at the time that the loss benefit would be realized.

Exchange Effect

The value of the Australian dollar relative to the U.S. dollar increased to $.7529 at December 31, 2003 compared to a value of $.6737 at June 30, 2003. This resulted in a $2,733,000 credit to the foreign currency translation adjustments account for the six months ended December 31, 2003. The 12% increase in the value of the Australian dollar increased the reported asset and liability amounts in the balance sheet at December 31, 2003 from the June 30, 2003 amounts. The average exchange rate used to translate MPAL's operations in Australia was $.6878 for the six month period ended December 31, 2003, which is a 24% increase compared to the $.5528 rate for six month period ended December 31, 2002.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company does not have any significant exposure to market risk, other than as previously discussed regarding foreign currency risk and the risk of fluctuations in the world price of crude oil, as the only market risk sensitive instruments are its investments in marketable securities. For fiscal year 2003, oil sales represented approximately 25% of production revenues, therefore, an increase in the world price of crude oil would only have a modest positive impact on the Company's earnings, while a decrease in crude oil prices would have a similar negative impact on earnings. Gas sales, which represented approximately 75% of production revenues in fiscal 2003, are derived primarily from the Palm Valley and Mereenie fields in the Northern Territory of Australia and the gas prices are set according to long term contracts that are subject to changes in the Australian Consumer Price Index. At December 31, 2003, the carrying value of such investments in marketable securities including those classified as cash and cash equivalents was approximately $22.3 million, which approximates the fair value of the securities. Since the Company expects to hold the investments to maturity, the maturity value should be realized.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including James R. Joyce, the Company's President, Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities and Exchange Act of 1934) as of December 31, 2003. Based on this evaluation, the Company's President concluded that the Company's disclosure controls and procedures were effective such that the material information required to be included in the Company's Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including its consolidated subsidiaries, and was made known to him by others within those entities, particularly during the period when this report was being prepared.

Internal Control Over Financial Reporting.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2003 of the Company's fiscal year ending June 30, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MAGELLAN PETROLEUM CORPORATION
FORM 10-Q
PART II - OTHER INFORMATION
December 31, 2003

Item 1 Legal Proceedings
- ------ -----------------

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

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

(a) On December 4, 2003, the Company held its 2003 Annual General Meeting of Stockholders.

(b) The following director was reelected a director of the Company. The vote was as follows:

	Shares		Stockholders	
	For	Withheld	For	Withheld
Donald V. Basso	21,560,127	755,743	1,695	163

(c) The firm of Deloitte & Touche LLP was appointed as the Company's independent auditors for the year ending June 30, 2004. The vote was as follows:

Shares Stockholders
------ ------------

For	21,729,692	1,658
Against	430,204	90
Abstain	176,174	110

Item 5. Other Information

During October 2003, the Semaphore 1 well in PEL 110 of the Cooper Basin in South Australia was drilled and plugged and abandoned as a dry hole at a cost to MPAL of approximately $300,000.

On November 3, 2003, the Thungo 8 well in ATP267P (PL 51) reached total depth with good shows. The well will be cased and suspended as a future oil well. The Thungo 8 well was drilled in the Nockatunga project (MPAL interest 41%) in the Eromanga Basin in Queensland.

On November 6, 2003, the Callisto 1 well (MPAL share 39%) in ATP267P was spudded and on November 8, 2003, the Waitpinga 1 well (MPAL share 50%) in PEL 94 in the Cooper Basin was also spudded. Both wells were drilled and plugged and abandoned as dry holes.

Palm Valley Petroleum Lease No. 3 which was due to expire on November 8, 2003, has been renewed for an additional 21 years.

Planning for the Palm Valley-11 well is in process but the well is not expected to be spudded before late February 2004.

During February 2004, MPAL completed a farmout agreement with the operator of its United Kingdom properties PEDL 98 and 113 on the Isle of Wight. The operator will earn a 17.5% interest in the properties by funding 35% of the cost of drilling an exploration well. The operator will also earn a 5% interest in PEDL 99 in the Portsdown area of southern England. MPAL held a 45% interest in each permit before the farmout agreement.

MPAL has reached an agreement with the operator of WA-306-P in the Browse Basin of Western Australia to farmout a 37.5% interest in the permit for the drilling of an exploration well on permit. MPAL will reduce its current 50% interest to 12.5%. Drilling of the well is planned for later this year.

MPAL was granted an offshore exploration permit PEP 38225 in the Great South Basin to the south of the South Island of New Zealand. MPAL also holds a 100% interest in the adjacent exploration permit PEP 38222.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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

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

32. Section 1350 Certifications.

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

(b) Reports on Form 8-K

On October 2, 2003, the Company filed Amendment No. 2 to a Current Report on Form 8-K to report that Ernst & Young LLP was dismissed as the Company's independent auditors on September 26, 2003.

On October 7, 2003, the Company filed a Current Report on Form 8-K to report that Deloitte & Touche LLP was retained as the Company's new independent auditors for the fiscal year ending June 30, 2004.

On November 3, 2003, the Company filed a Current Report on Form 8-K to report that both the Wawiri-1 well and the Bluff-1 well in New Zealand were drilled and plugged and abandoned as dry holes.

On November 18, 2003, the Company filed a Current Report on Form 8-K to report that the Waitpinga-1 well in the Cooper Basin and the Callisto-1 well in the Eromanga Basin in Australia were drilled and plugged and abandoned as dry holes.

On December 11, 2003, the Company filed a Current Report on Form 8-K to report that Mr. James R. Joyce, the President, Chief Executive Officer and Chief Financial Officer will retire as of June 30, 2004.

MAGELLAN PETROLEUM CORPORATION

FORM 10-Q

December 31, 2003

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, 2004 By /s/ James R. Joyce

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

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Exhibit 31

Rule 13a-14(a) Certifications

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

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

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

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

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

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

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

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

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

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

Dated: February 12, 2004 /s/ James R. Joyce

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

Exhibit 32

SECTION 1350 Certifications

In connection with the Quarterly Report of Magellan Petroleum Corporation (the "Company") on Form 10-Q for the period ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James R. Joyce, President, Chief Executive Officer and Chief Financial Officer of the Company, do hereby 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.

February 12, 2004 By: /s/ James R. Joyce

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