

MAGELLAN PETROLEUM CORP /DE/  
Form 8-K  
September 05, 2007

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): August 31, 2007 (September 4, 2007)

Magellan Petroleum Corporation  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

1-5507

(Commission File Number)

06-0842255

IRS Employer Identification No.)

10 Columbus Boulevard, Hartford,

CT

06106

(Address of Principal Executive Offices)

(Zip

Code)

860-293-2006

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

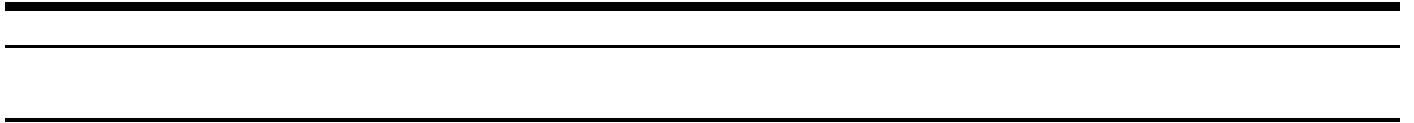


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EX-99.1: COMPANY RELEASE

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Item 2.02 Results of Operations and Financial Conditions

On August 30, 2007, Magellan Petroleum Corporation (the "Company") filed with the Australian Securities and Investments Commission and Australian Stock Exchange ("ASX") in Australia a release and a report of preliminary, unaudited financial information with respect to the fiscal year ended June 30, 2007 on Appendix 4E, in accordance with ASX rules & regulations.

Copies of the Company's release and Appendix 4E report dated September 4, 2007 are furnished herewith as Exhibits 99.01 and are hereby incorporated herein by reference.

Item 9.01 Financial Statement and Exhibit

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

(c) Exhibits

99.01 Company release and attached Appendix 4E filing of the Company, dated September 4, 2007

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**SIGNATURES**

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











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By: /s/ Daniel J. Samela

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Name: Daniel J. Samela

Edgar Filing: MAGELLAN PETROLEUM CORP /DE/ - Form 8-K

Title: President, Chief Executive Officer



Dated: September 4, 2007









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<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
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99.1 Company release and attached Appendix 4E fining of the Company, dated September 4,  
2007. 6





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**MAGELLAN PETROLEUM CORPORATION PROFIT REPORT**  
**For the Year Ended June 30, 2007**  
**(Dollars quoted are US\$)**

Magellan Petroleum Corporation recorded net income of \$670,000 for the year ended June 30, 2007, compared to \$749,000 for the previous fiscal year.

Revenues were up for the year by \$4.1 million or 15.5%.

Oil sales increased approximately \$1.3 million due to an increase in sales volume offset by a decrease in prices. Sales volume from the Nockatunga and Mereenie fields increased by 30,139 barrels, which was offset by a decrease in the Cooper Basin sales of 5,439 barrels.

Gas sales were up \$2.3 million over 2006. This was essentially due to a 5% increase in sales to 5.988 Bcf in 2007 from 5.726 Bcf in 2006 and a 7% increase in the average price per MCF of A\$3.24 in 2007 from A\$3.04 in 2006.

Total costs and expenses increased \$6.3 million over 2006 to \$30 million.

Production costs decreased \$1.2 million to \$7 million in 2007. This was primarily due to expenditures for the Mereenie workover program which was completed in 2006.

Exploration and dry hole costs increased approximately \$2.3 million to \$5.5 million in 2007. The primary reason for the increase in 2007 was the higher drilling costs related to the Cooper Basin drilling program.

Depletion, depreciation and amortization increased \$4.4 million to \$10.7 million in 2007. This increase was mostly due to depletion of the higher book value of MPAL's oil and gas properties acquired during fiscal 2006, increased depletion in the Nockatunga project due to increased production and capitalized costs and increased depreciation on revised asset retirement obligations.

Auditing, accounting and legal expenses increased \$230,000 in 2007 primarily because of increased legal fees related to the Australian Tax Office (ATO) audit (see Item 12) and required filings with the Australian stock exchange. In addition, audit costs were higher in 2007 because of certain 2006 audit costs recorded in 2007.

Accretion expense increased \$93,000 to \$518,000 in 2007. This was due mostly to accretion of the revised asset retirement obligations recorded in fiscal 2006.

There were no asset retirement settlement losses recorded in 2007. During the third quarter of 2006, the Company recorded an asset retirement settlement loss of \$445,000 related to the Mereenie field.

An impairment loss of \$984,000 was recorded in 2007 relating to the decreased value of the Kiana field in the Cooper Basin. The net book value of the Kiana oil and gas property was written down to its future estimated discounted cash flow.

Other administrative expenses decreased \$139,000 to \$2.7 million in 2007 primarily due to a non-cash charge for directors' stock option expense (\$365,539) recorded in 2006 partially offset by increased directors fees (\$32,778), insurance (\$58,468) and office rent (\$75,710) in 2007.

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

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





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MAGELLAN PETROLEUM CORPORATION  
ARBN 117 452 454

ADMINISTRATIVE OFFICE

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Rules 4.3A

Appendix 4E

Preliminary Final Report

Name of entity

**MAGELLAN PETROLEUM CORPORATION**

ABN	Financial Year Ended ('Current Period')
117 452	
1. 454	30 June 2007

**2. Results for Announcement to the Market**

					\$US'000
2.1	Revenues from Ordinary Activities	up	15%	to	30,675
2.2	Profit from Ordinary Activities after Income Tax attributable to Members	down	11%	to	670
2.3	Net Profit for the period attributable to Members	down	11%	to	670
<b>2.4</b>	<b>Dividends (distributions)</b>				
		Amount per security		Franked amount per security	
	<b>Final dividend</b>	N/A		N/A	N/A
	Interim dividend	N/A		N/A	N/A
2.5	Record date for determining entitlements to the dividend, (in the case of a trust, distribution)				N/A
2.6	Brief explanation of any of the figures in 'For Announcement to the Market' section necessary to enable the figures to be understood:				



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

	<b>2007</b>	<b>2006</b>
	Unaudited	
<b>Revenues:</b>		
Oil sales	\$ 11,922,574	\$ 10,615,761
Gas sales	16,396,334	14,060,968
Other production related revenues	2,356,317	1,885,706
Total revenues	30,675,225	26,562,435
<b>Costs and expenses:</b>		
Production costs	6,965,641	8,220,013
Exploratory and dry hole costs	5,520,460	3,264,837
Salaries and employee benefits	1,549,277	1,448,004
Depletion, depreciation and amortization	10,693,415	6,308,608
Auditing, accounting and legal services	628,114	398,514
Accretion expense	517,856	425,254
Shareholder communications	459,298	449,561
Loss on settlement of asset retirement obligation	—	444,566
Gain on sale of field equipment	(10,346)	(119,445)
Impairment loss	984,171	—
Other administrative expenses	2,656,615	2,795,387
Total costs and expenses	29,964,501	23,635,299
Operating income	710,724	2,927,136
Interest income	1,669,798	1,268,641
Income before income taxes and minority interests	2,380,522	4,195,777
Income tax expense	1,710,974	1,678,980
Income before minority interests	669,548	2,516,797
Minority interests	—	(1,768,023)
<b>Net income</b>	<b>\$ 669,548</b>	<b>\$ 748,774</b>
Average number of shares:		
Basic	41,500,325	28,353,463
Diluted	41,500,325	28,453,270
Per share (basic and diluted) Net income	\$ .02	\$ .03