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5 March 2008

**Commencement of Drilling
West Cameron 379#1 Well****OFFSHORE LOUISIANA, USA***Petsec Energy Ltd (ASX, PSA; ADRs, PSJEY.PK)*

Petsec Energy announced today that the West Cameron 379 #1 well has spud.

This is the first well on the West Cameron 379 lease, located in the Gulf of Mexico, USA.

Details of the well are as follows:

Well Name:	West Cameron 379 #1
Proposed Total Depth:	2,626 metres (8,617 feet) measured and 2,222 metres (7,290) feet true vertical depth
Estimated time to drill:	19 days from date of spud
Operator:	Petsec Energy Inc.
Petsec working interest:	50%
Petsec net revenue interest:	39.4%

Petsec Energy Ltd is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is on gas in the shallow waters of the Gulf of Mexico and onshore Louisiana Gulf Coast region of the USA, and on oil in the shallow waters of the Beibu Gulf off the south coast of China

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