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6 April 2010

**Main Pass Block 20 #4 Exploration Well Commencing Operations***Petsec Energy Ltd (ASX, PSA; ADR's, PSJEY.PK)*

Petsec Energy reports that the Hercules 204 drilling rig is expected to move onto location within the next three weeks to drill the Main Pass Block 20 #4 well in the Gulf of Mexico, USA. The Main Pass 20 #4 well will be located on lease number OCS-G 27195 in approximately 11 metres (35 feet) of water. Petsec Energy owns existing production facilities in the area which, depending on the size of the discovery, may be used to develop new discoveries. The well is expected to take up to 60 days to drill to a total depth of 4,025 metres (13,200 feet) and evaluate results.

The Main Pass 20 #4 well is targeting significant natural gas and associated oil potential in Upper Miocene Bigenerina Humblei sandstone reservoirs which are in a structurally superior position to zones previously proven productive in the Main Pass 20 #1 well drilled by Devon Energy Corporation in 2001. The objective section is characterised by a lens-shaped, high amplitude seismic anomaly of up to 150 metres (500 feet) in thickness, which was identified by Petsec Energy from its reprocessed 3D seismic database.

Petsec Energy has farmed out part of its interest and retains a 30% working interest so that its dry hole exposure is expected to be less than US\$2.5 million. Petsec's joint venture partners in the well are well established private corporations, who have considerable experience and success in exploring in the Gulf of Mexico.

This is the first well in Petsec Energy's 2010 drilling programme in the Gulf of Mexico, and the first well drilled by the Company in almost two years while it waited for the return of a more reasonable cost regime.

In the surrounding acreage, Petsec Energy holds a portfolio of prospects with similar attributes which may be drilled if the Main Pass 20 #4 well confirms the commercial potential of the play.

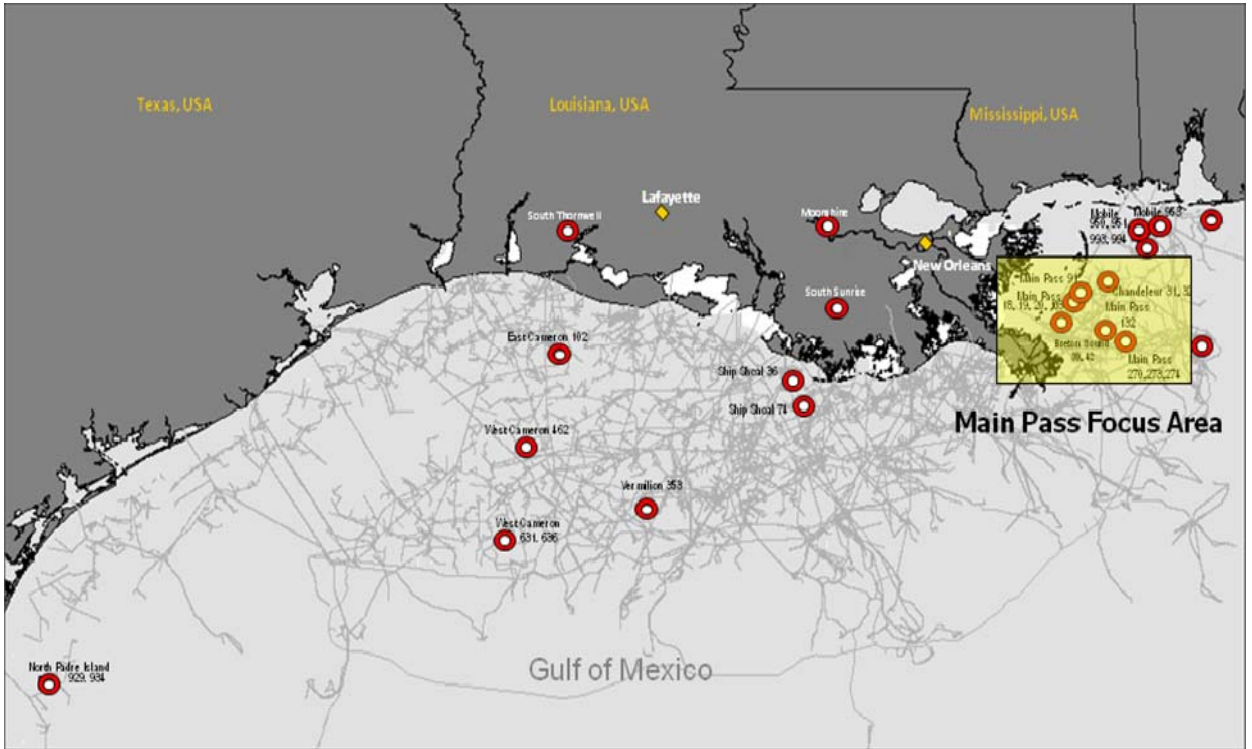
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*Petsec Energy Ltd is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is on gas in the shallow waters of the Gulf of Mexico and onshore Louisiana Gulf Coast region of the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

### Petsec Gulf of Mexico Leases



### Petsec Main Pass Focus Area Prospects and Production

