

PETSEC ENERGY LTD

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26 May 2010

PETSEC AWARDED MAIN PASS 18 N/2 LEASE

Petsec Energy Ltd (ASX, PSA; ADR's, PSJEY.PK)

Petsec Energy announced today that it was awarded a lease on the north-half of Main Pass Block 18 on which it was the high bidder at the Central Gulf of Mexico Lease Sale 213 held in New Orleans, Louisiana, on 17 March 2010.

Petsec Energy submitted a sole bid of US\$76,900 on the lease and will own a 100% working interest. The new lease is in approximately 33 feet of water and is directly adjacent to the Petsec Energy's existing Main Pass Block 18 S/2 lease, which is currently held by production by the Company's Main Pass 18 G-6 well. Petsec Energy operates the two leases which together have additional undrilled reserve potential of 20 – 30 Bcfe in the Yellowstone prospect.

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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