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4 June 2010

PETSEC ENERGY AWARDED BRETON SOUND 39 AND BRETON SOUND 42 LEASES

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

Petsec Energy announced today that it was awarded the final two leases of the eight leases 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 and its partner, Phoenix Exploration Company LP, submitted joint bids of US\$168,840 and US\$562,500 on Breton Sound Blocks 39 and 42. Petsec will own a 75% working interest in Block 39 and a 50% working interest in Block 42. Both leases are located in approximately 16 feet of water and contain multiple prospects with a combined un-risked reserve potential of 40 – 80 Bcfe.

Commenting on the award of the leases, Petsec's Chairman and Managing Director, Terry Fern, said "the Central Gulf of Mexico lease sale was one of the most successful for the company in recent years and the award of all eight leases has added significant reserve potential to fuel the Company's future growth".

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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