

11 June 2010

“Main Pass Block 20 # 4 well –reaches TD of 12,800 feet and well is logged”.

MAIN PASS 20 # 4 WELL

Today Petsec Energy announced the results of the Main Pass Block 20 #4 well located in the Gulf of Mexico in 11 metres (35 feet) of water. The well reached a total depth of 3,900 metres (12,800 feet) and wireline logs have been run. The well intersected a thick channelised reservoir sequence confirming the targets predicted by the Company’s 3D seismic analysis. Log analysis indicates the presence of 100 feet of gas charged, fine grained sand reservoir which correlates to the strong seismic amplitude response. Further petrophysical analyses, however, indicate the reservoir has very low permeability and is not capable of producing hydrocarbons at commercial rates. Consequently, the drilling partners have decided to plug and abandon the well.

While the low permeability was disappointing, the geologic model and seismic interpretation were confirmed and the log results provide valuable information to support the potential of the nearby prospects. Of Petsec Energy’s five prospects in closest proximity to this well, only one has been impaired by these results.

2010 DRILLING PROGRAMME

The BP incident in the Gulf of Mexico has not directly affected Petsec Energy’s operations to date, however resultant changes in the permitting of wells by both US Federal and Louisiana State regulatory authorities is expected to cause general delays in the issue of new drilling permits, including the Gulf of Mexico Shelf where Petsec Energy operates. Consequently the Company considers that its 2010 programme of 3 to 5 wells to target 20-50 Bcfe net to Petsec Energy will recommence in the fourth quarter of 2010 and will likely extend into 2011.

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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.