

2 July 2008

**Update on Main Pass 270 Field Production**

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

Petsec Energy today advised that its Main Pass 270 field briefly resumed production on 24 June 2008. Two wells were flowing at reduced rates and while bringing the third well into production downstream, a third party operator discovered a leak in its pipeline at the Main Pass 133 platform. All upstream production, including Petsec's Main Pass 270 field, is now shut in due to the leak.

Production from Main Pass 270 flows by pipeline to Main Pass 133 where the oil and gas are separated and commingled with production from other fields and delivered into respective sales lines. The previous interruption was caused by blockage in the downstream oil sales trunkline. The pipeline operator redirected production around the blockage in the downstream sales line to resolve that problem.

The newly discovered leak is above water in the oil sales line leaving the Main Pass 133 platform. The operator is currently inspecting the line and determining how best to fix the leak. Until we receive additional information, Petsec cannot announce a timeline for production to again commence.

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

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