

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available.
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003,
24/10/2005.

Name of entity

Petsec Energy Ltd

ABN

92 000 602 700

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum of 77,100,000 shares to be issued under a fully underwritten non-renounceable rights issue |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p>	<p>The shares issued will rank equally with the existing class of ordinary shares</p>					
<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 						
<p>5 Issue price or consideration</p>	<p>20 cents per share</p>					
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund the Company's 2010 exploration and development programme, which includes the drilling of three to five high impact wells in the shallow waters of the Gulf of Mexico, USA, and initial funding for the development of the 6.12/6.12 South and 12.8 West oil fields in Block 22/12, Beibu Gulf, China ,and for expenses of the rights issue and general working capital</p>					
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 December 2009</p>					
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="707 1597 995 1637">Number</th> <th data-bbox="995 1597 1289 1637">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="707 1637 995 1852">231,288,841</td> <td data-bbox="995 1637 1289 1852">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	231,288,841	Ordinary Shares	
Number	+Class					
231,288,841	Ordinary Shares					

+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all		
	+securities not quoted on		
	ASX (including the securities		
	in clause 2 if applicable)		
		15,000	\$1.15 Options (PSAAZ)
		250,000	\$1.40 Options (PSAAB)
		225,000	\$2.13 Options (PSAAK)
		27,000	\$2.38 Options (PSAAD)
		100,000	\$1.82 Options (PSAAE)
		200,000	\$2.90 Options (PSAAG)
		25,000	\$2.46 Options (PSAAJ)
		55,000	\$2.27 Options (PSAAL)
		655,000	\$2.38 Options (PSAAN)
		500,000	\$2.40 Options (PSAAP)
		500,000	\$3.11 Options (PSAAP)
		1,500,000	\$2.40 Options (PSAAQ)
		500,000	\$3.11 Options (PSAAQ)
		65,000	\$1.91 Options (PSAAQ)
	30,000	\$1.48 Options (PSAAQ)	
	150,000	\$1.60 Options (PSAAQ)	
	90,000	\$1.19 Options (PSAAR)	
	451,000	\$0.20 Options (PSAAI)	
	<u>381,000</u>	\$0.20 Options (PSAAM)	
	5,719,000	TOTAL EMPLOYEE OPTIONS	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 security for every 2 held at the record date
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	24 November 2009

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|----|---|--|
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No |
| 17 | Policy for deciding entitlements in relation to fractions | Rounded up to the nearest whole number |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | Security holders in any country other than Australia, New Zealand and Hong Kong will not be sent offer documents. At the date of this notice the principal countries are Canada, the United States, the United Kingdom, Singapore, Norway, Switzerland, Ireland, PNG, China and the Channel Islands. |
| 19 | Closing date for receipt of acceptances or renunciations | 11 December 2009 |

⁺ See chapter 19 for defined terms.

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20	Names of any underwriters	Martin Place Securities Pty Limited
21	Amount of any underwriting fee or commission	3% of funds raised from the rights issue
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	26 November 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	16 November 2009
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept	Not applicable

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for the balance?

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? Not applicable
- 33 +Despatch date 21 December 2009

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

Not applicable

39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C (6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 16 November 2009

(Company secretary)

Print name: Paul Gahdmar

+ See chapter 19 for defined terms.