

PETSEC ENERGY LTD

ACN 000 602 700

20 October 2010

The Company Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Cancellation of Employee Options

Please be advised that the Company has cancelled the following options effective today:

250,000 (PSAAB) – Exercise price of \$1.40

The total number of options on issue is now 5,447,000.

Yours faithfully

Paul Gahdmar
Company Secretary & Group Financial Controller