

PETSEC ENERGY LTD

ACN 000 602 700

21 December 2010

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

Dear Sir/Madam,

Cancellation of Employee Options

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

100,000 (PSAAE) – Exercise price of \$1.82
75,000 (PSAAN) – Exercise price of \$2.38

The total number of options on issue is now 5,272,000.

Yours faithfully

Paul Gahdmar
Company Secretary & Group Financial Controller