

PETSEC ENERGY LTD

ACN 000 602 700

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Petsec Energy Debt Free Term Loan Settled

Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)

Petsec Energy Ltd is pleased to advise that the Group is debt free having today completed the settlement of the US\$29.2 million term loan owed by the Company's US subsidiary, Petsec Energy Inc. ("PEI").

The term loan was extinguished by the payment of US\$12 million in cash, a 2.5% working interest in the Company's Main Pass 270 producing wells, a 2.0% working interest in the Company's leases in the Atchafalaya Bay area (Marathon discovery), Louisiana, and 25% of the Company's working interest in 10 non-producing leases in the Gulf of Mexico, USA.

Petsec Energy's Chairman, Terry Fern, said: "The settlement of the term debt and being debt free allows the Company to focus its efforts to advance its business plan in the USA to test larger targets in the Gulf of Mexico and Gulf Coast, and the pursuit of shale oil onshore".

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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.