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13 July 2011

Marathon #2 well Drilling Update

State Lease No. 20369 No. 1 Well, Marathon Prospect
Atchafalaya Bay, Louisiana, USA

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

Petsec Energy advises that as at 12 July 2011, the Marathon #2 well had reached a measured depth of 18,845 feet (5,744 metres), 7 inch liner had been set and preparations were being made to drill ahead. The well is projected to reach its total depth of 21,000 feet (6,500 metres) within approximately 2 weeks.

The Marathon #2 well is a follow up to the successful #1 well and is situated in approximately 8 feet (2.4 metres) water depth and is located approximately 900 metres from the #1 well location. The #2 well is designed to serve as a development well for the field as well as to test deeper exploratory reserve potential on the Marathon structure.

Participating working interests in the well are:

Petsec Energy Ltd	8%
Phoenix Exploration Company LP (operator)	65%
Private Companies	27%

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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 oil and gas/condensate in the shallow waters of the Gulf of Mexico and onshore Louisiana and Texas Gulf Coast region of the USA.