

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# 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.

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   | Fully paid ordinary shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 4,000,000   |
| 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) | <p>Issue of shares to two senior executives. Funds for the shares were provided by a loan from the Company, repayable by the executives by 1 January 2016 and secured by a recourse promissory note bearing interest at the rate of 2.26% per annum.</p> <p>The shares are subject to a holding lock which prevents them from being sold or assigned. Unless there is a prior change of control of the Company or cessation of employment of the executives, the shares will be released from the holding lock as follows:</p> <ul style="list-style-type: none"><li>i) 2,000,000 shares on 1 January 2012</li><li>ii) A further 1,000,000 shares on 1 January 2013</li><li>iii) A further 1,000,000 shares on 1 January 2014</li></ul> |

+ 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>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
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<p>5 Issue price or consideration</p>	<p>\$0.20</p>
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<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Incentive to senior executives of the US subsidiary Petsec Energy Inc: Mr Ross Keogh, President; and Mr Ron Krenzke, Executive Vice President of Exploration. Mr Keogh and Mr Krenzke each received 2,000,000 shares. The issue was outside the Company's Employee Share Plan.</p>
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<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 December 2011</p>
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<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">235,283,622</td> <td style="text-align: center;">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	235,283,622	Ordinary shares
Number	+Class				
235,283,622	Ordinary shares				

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	128,500	\$0.20 Options (PSAAI)
	35,000	\$2.27 Options (PSAAL)
	245,000	\$0.20 Options (PSAAM)
	1,500,000	\$2.40 Options (PSAAQ)
	500,000	\$3.11 Options (PSAAQ)
	30,000	\$1.48 Options (PSAAQ)
	852,500	\$0.23 Options (PSAAQ)
	<u>75,000</u>	\$1.19 Options (PSAAR)
	3,366,000	TOTAL

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

## Part 2 - Bonus issue or pro rata issue

Not applicable

## 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

Not applicable

### Entities that have ticked box 34(b)

Not applicable

#### 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.

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- 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.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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: 21 December 2011

Company Secretary & Group Financial  
Controller

Print name: Paul Gahdmar

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