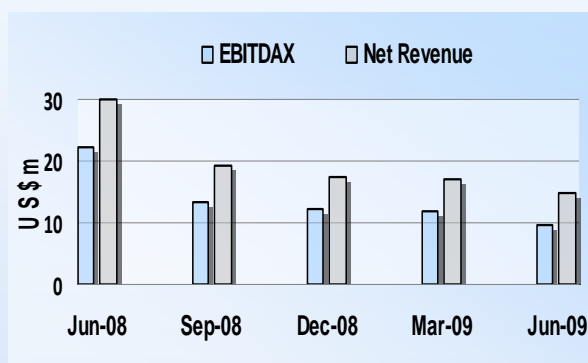
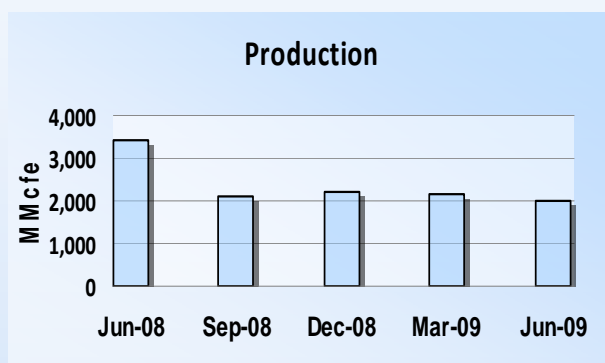


June 2009 Quarter Results

Financials

		Current	Previous		Corresponding	
<i>Comparative Performance versus</i>		Quarter Jun 09	Quarter Mar 09	% Change	Quarter Jun 08	% Change
Production	MMcfe	1,974	2,152	(8%)	3,421	(42%)
Average sales price	US\$/Mcf	7.41	7.96	(7%)	8.77	(15%)
Net revenue	US\$m	14.6	17.1	(15%)	30.0	(51%)
EBITDAX	US\$m	9.5	11.7	(19%)	22.1	(57%)
Net debt	US\$m	22.1	32.8	(33%)	41.1	(46%)
Capex	US\$m	1.0	1.4	(26%)	12.5	(92%)



Operations

USA

Daily net production for the quarter averaged 19.1 MMcfe/day from the offshore wells and 2.6 MMcfe/day from the onshore wells.

Development

CHINA

Block 22/12, Beibu Gulf Wei 6.12, 6.12 South and 12.8 West oil fields

Feasibility studies conducted jointly with China National Offshore Oil Corporation ("CNOOC") were completed in April 2009, and the preferred development plan accepted.

Lodgment of an Overall Development Plan ("ODP") is expected to occur in the September 2009 quarter and a Final Investment Decision ("FID") is likely to be made in late 2009, and first oil in the fourth quarter of 2011.

June 2009 Quarter Activity

Production and Cashflow

Production for the June 2009 quarter of 1,974 MMcfe from Petsec's Gulf of Mexico, USA operations was 8% below the previous quarter of 2,152 MMcfe, reflecting the cessation of production from the Vermilion 258 field (reported in the March 2009 quarter) and natural decline in other fields.

The average gas equivalent sales price received (including hedging) for the June 2009 quarter was US\$7.41/Mcfe, 7% below the US\$7.96/Mcfe realised in the previous quarter mostly reflecting lower spot gas prices, which ranged between US\$3.25 to US\$4.45 in the quarter.

Revenues for the June 2009 quarter of US\$14.6 million were 15% lower than the March 2009 quarter, reflecting lower production and the lower average gas equivalent sales price received for the period.

EBITDAX of US\$9.5 million was down 19% on the previous quarter largely as a result of lower revenue.

EBITDAX margin was US\$4.81/Mcfe, down 12% on the previous quarter of US\$5.45/Mcfe. Lease operating expense was US\$1.24/Mcfe (March 2009 quarter: US\$1.27/Mcfe); and geological, geophysical & administrative expense totalled US\$1.38/Mcfe (March 2009 quarter: US\$1.20/Mcfe).

Acquisition, exploration and development expenditures for the quarter were US\$1.0 million, including US\$0.1 million on acquisition, US\$0.6 million on exploration and US\$0.3 million on development activities.

Cash and Debt Facilities

At 30 June 2009, the Company's cash position was US\$16.3 million (A\$20.1 million), compared to US\$11.7 million (A\$17.2 million) at 31 March 2009.

The Company's revolving credit facility with Guaranty Bank was confirmed at US\$23 million effective 1 June 2009. The facility reduces by US\$1.35 million per month commencing 1 July 2009. The next semi-annual redetermination by the bank of the borrowing base amount will occur in November 2009.

At 30 June 2009, the total amount utilised under the revolving credit facility was US\$15.4 million, comprising US\$8.8 million in loans and US\$6.6 million in letters of credit that support bonding requirements with the US Minerals Management Service.

The Company also has a US\$29.6 million subordinated fixed term facility maturing in late 2011.

A further US\$6.0 million of debt repayment was made during the quarter, reducing total outstanding debt at 30 June 2009 to US\$38.4 million (31 March 2009: US\$44.4 million).

An increase in cash during the period to US\$16.3 million reduced net debt to US\$22.1 million at 30 June 2009, down from US\$32.8 million at 31 March 2009.

June 2009 Quarter Activity (continued)

Gas Price and Hedging

Natural gas spot and strip prices have trended lower as weak demand and high storage levels continue to weigh on the U.S. natural gas market.

During the June 2009 quarter, additional swaps were placed on 550,000 MMBtu for June through December 2009 and on 1,372,300 MMBtu for 2010. The weighted average MMBtu prices on the swaps were US\$4.50 for 2009 and US\$6.13 for 2010.

At 30 June 2009, Petsec Energy had the following natural gas hedges in place:

Production period	Hedge types	Total MMBtu volume	Weighted average US\$ Price
Jul – Dec 2009	Swaps	1,479,200	7.27
	Puts*	844,000	6.33
2010	Swaps	2,429,500	7.43
Total hedged volume		4,752,700	

* Put prices shown are net of premium cost. (NB. One MMBtu is approximately equivalent to one Mcf).

The NYMEX 12 month forward strip price for gas on 21 July was approximately US\$5.09/Mcf and the 36 month strip was approximately US\$6.08/Mcf.

USA, Gulf of Mexico

Acquisition

No acquisitions were made during the June 2009 quarter.

The Company continues to seek acquisition opportunities which possess good quality, high rate production which lends itself to hedging, with exploration and exploitation potential that can be readily accessed from existing infrastructure.

A number of opportunities were reviewed in the quarter and a bid for five fields was made, but the bid did not meet the seller's expectations.

Exploration

No drilling was undertaken in the quarter. Exploration was directed to preparation of drilling targets and review of production acquisitions.

Rig utility and consequently daily rates for the Gulf of Mexico shelf have dropped significantly, and are expected to soon approach those levels which would make it economically feasible for the Company to recommence drilling.

June 2009 Quarter Activity (continued)

CHINA

Block 22/12, Beibu Gulf

Petsec: 25% working interest (12.25 % net revenue interest should China National Offshore Oil Corporation (CNOOC) back-in for 51%)

Operator: Roc Oil Company Limited

Development – Wei 6-12, 6-12 South and 12-8 West oil discoveries

As reported previously, CNOOC has declared development areas over the Wei 6-12, 6-12 South, 12-8 West, 12-8 East and 12-3-1 oil fields, for the Block 22/12, Beibu Gulf Joint Venture (“JV”). These five oil fields contain oil in place of 185 to 262 million barrels of oil (P50 to P10) and potentially recoverable reserves of 43 to 124 million barrels of oil. Feasibility studies have been completed on all five fields and the JV has decided to first proceed with the development of the 6-12, 6-12 South and 12-8 West fields which hold P50 recoverable reserves of 27.2 million barrels of oil and P10 recoverable reserves of 52 million barrels of oil.

During the quarter, feasibility studies undertaken by CNOOC in conjunction with the JV, investigated two development options - a stand alone production platform at 6-12 South and shared facilities with CNOOC adjacent to its 12-1-1 platform. These studies were completed in the quarter and the results were presented to the Chinese Expert Review, which made a recommendation to CNOOC and the JV to proceed with an Overall Development Plan (ODP) on the preferred option of development using a shared production facility with CNOOC adjacent to its 12.1.1 platform.

Consequently, an Overall Development Plan for the development of the 6-12, 6-12 South and 12-8 West oil fields is now expected to be lodged late in the September 2009 quarter with approval expected to be granted within 90 days of lodgment. A final investment decision is likely to be made in late 2009 followed immediately by the commencement of development. CNOOC’s current schedule indicates initial production from these three fields to commence in the fourth quarter of 2011.

Exploration prospects adjacent to the 6-12 South field are expected to be tested at the time of development drilling in 2010. Development of the 12-8 East and 12-3-1 fields, which hold recoverable reserves ranging from 15 to 72 million barrels of oil (P50 to P10), is anticipated after the start of production of the 6-12, 6-12 South and 12-8 West fields.

June 2009 Quarter Activity (continued)

Financial Summary and Production Data

A “Financial Summary and Production Data” table is provided on the following page.

Financial results for the six months to 30 June 2009

Petsec Energy will announce its financial results for the six months to 30 June 2009 on 27 August 2009.

At year end and mid year the Company is required to support the book value of its properties as being no less than the estimated future discounted cash flow from the expected production from these properties.

As a result of this review, the Company will recognise an expense of approximately US\$6.6 million at 30 June 2009. This expense is related to the Vermilion 258 field ceasing production, a reduction in estimated recoverable reserves from our onshore wells, and commodity prices at 30 June 2009 being lower than at 31 December 2008.

The Company will also incur a US\$1.0 million expense resulting from the relinquishment of its interest in the Main Pass 7 lease, and will increase its rehabilitation cost provision by US\$1.7 million following a reassessment of future plug and abandonment cost estimates.

The combined result of the above charges is an expense of US\$9.3 million at 30 June 2009.

These amounts are preliminary and subject to review by our auditors.

Proposed Activities – September 2009 Quarter

Surplus operating cashflow will continue to be principally applied to debt reduction.

Development

China

Beibu Gulf, Block 22/12

Wei 6-12, 6-12 South and 12-8 West oil discoveries

Preparation and lodgment of an ODP for the Wei 6-12, 6-12 South and 12-8 West oil fields by end of September 2009 quarter for Chinese Government approval which is anticipated within 90 days of lodgement.

Exploration

No drilling is planned for the September quarter. Exploration efforts will be directed to preparation of drill targets contemplated to be tested late in the year and to acquisition reviews.

Production Forecast 2009

The Company remains on track to meet its production target for the 2009 calendar year of 7 Bcfe.



PETSEC ENERGY
JUNE 2009 QUARTER
FINANCIAL SUMMARY AND PRODUCTION DATA

UNAUDITED FINANCIAL DATA		June 2009 Quarter	March 2009 Quarter	% Increase/ (decrease)	June 2008 Quarter	% Increase/ (decrease)	Six Months to 30 June 2009	Six Months to 30 June 2008	% Increase/ (decrease)
<i>Amounts in US\$000</i>									
Net Revenue		14,633	17,131	-15%	30,010	-51%	31,764	68,461	-54%
Other Revenue/(Expense)		40	(90)		(779)		(50)	(823)	
Lease Operating Expenses		(2,453)	(2,742)		(3,491)		(5,195)	(6,316)	
Geological, Geophysical & Administrative Expenses (G,G&A)		(2,718)	(2,575)		(3,660)		(5,293)	(7,156)	
EBITDAX	<i>US\$000</i>	9,502	11,724	-19%	22,080	-57%	21,226	54,166	-61%
Total Outstanding Debt	<i>US\$000</i>	38,350	44,425		67,850		38,350	67,850	
Cash	<i>US\$000</i>	16,255	11,665		26,747		16,255	26,747	
Net Debt/(Cash)	<i>US\$000</i>	22,095	32,760	-33%	41,103	-46%	22,095	41,103	-46%
Acquisition, exploration & development expenditure									
Acquisition		103	78		959		181	1,219	
Exploration		659	595		8,610		1,254	25,410	
Development		266	723		2,881		989	4,908	
Total	<i>US\$000</i>	1,028	1,396	-26%	12,450	-92%	2,424	31,537	-92%
Production (MMcfe)									
	W.L.	N.R.1							
Offshore Gulf of Mexico									
Vermilion 258	1	100%	83.33%	-	140	293	140	753	
Main Pass 18/19	1	100%/ 55%	83.33%/ 45.88%	433	524	462	957	891	
Mobile Bay Area	2	40%-50%	30.5% - 41.7%	121	118	560	239	1,369	
Chandeleur 31/32	1	100%	81.8%	765	923	1,196	1,688	2,431	
Main Pass 20	1	100%	81.8%	46	29	458	75	844	
Main Pass 270	-	25%	20.8%	346	153	79	499	535	
Other Offshore	1	56.25% - 100%	46.12% - 82.33%	27	5	22	32	34	
	-	-	3.2% - 7% ORRI						
Onshore Louisiana									
	3	46% - 78%	32% - 58%	236	260	351	496	947	
Total		<i>MMcfe</i>		1,974	2,152	-8%	3,421	7,804	-47%
Unit revenue/cost analysis per Mcfe (USD)									
Oil/Condensate per barrel		54.00	37.40		112.43		46.42	102.47	
Gas per Mcf		7.34	8.02		8.65		7.70	8.62	
Average sales price per Mcfe		7.41	7.96	-7%	8.77	-15%	7.70	8.77	-12%
Other revenue/(expense)		0.02	(0.04)		(0.23)		(0.01)	(0.11)	
Lease operating expense		(1.24)	(1.27)		(1.02)		(1.26)	(0.81)	
G&A expenses		(1.38)	(1.20)		(1.07)		(1.28)	(0.92)	
EBITDAX per Mcfe	<i>US\$</i>	4.81	5.45	-12%	6.45	-25%	5.15	6.93	-26%

Glossary

Bcfe = billion cubic feet of gas equivalent
Mcf = thousand cubic feet of gas equivalent
MMbbls = million barrels
Mmcfe = million cubic feet of gas equivalent
EBITDAX = Earnings Before Interest, Income Taxes, Depreciation, Depletion, Amortization, and Exploration Expenses

1 Operated by Petsec Energy - Vermilion 258 ceased production in March 2009.
2 Petsec Energy operates Mobile Bay 953 #1 and #3.
3 Petsec Energy operates E. Laurent #1 & Lapeyrouse.

Dated: 23 July 2009

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Certain statements in this report regarding future expectations and plans of the Company may be regarded as "forward-looking statements". Although the Company believes that its expectations and plans are based upon reasonable assumptions, it can give no assurance that its goals will be met. Actual results may vary significantly from those anticipated due to many factors, including oil and gas prices, operating hazards, drilling risks, environmental risks and uncertainties in interpreting engineering and other data relating to oil and gas reservoirs, as well as other risks.