

6 May 2013

Fifth Marathon Well SpudsState Lease No. 20221 No. 3 Well, Marathon Field
Atchafalaya Bay, Louisiana, USA*Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy is pleased to advise that a fifth well has been spud on the Marathon gas/condensate field, located in the shallow waters of Atchafalaya Bay, Louisiana Gulf Coast, USA. The well was spud on 3 May 2013 using the Parker 76-B drilling rig and will serve as a further development well for the field.

The planned 18,700 feet (5,700 metres) well is located in approximately 8 feet (2.4 metres) of water with its surface location proximal to the Marathon #4 (State Lease 20369 #2). Drilling operations are expected to take approximately four months to reach total depth, log, complete, and tie into production facilities. The Company's share of the costs associated with this well is estimated at US\$2.0 million.

Petsec Energy's Chairman, Terry fern, commented on the fifth well:

"We are pleased that this fifth well is commencing earlier than anticipated to accelerate production and cash flow from the Marathon field. The field is a substantial gas/condensate discovery that continues to exceed the Company's reserves and production expectations and is expected to have a long productive life."

Participating working interests in the well are:

Petsec Energy Ltd	8.00%
Apache Corporation	48.75%
Private Companies	43.25%

Details of the well:

Well name:	State Lease 20221 No. 3 well
Water depth:	8 feet (2.4 metres)
Proposed total depth:	18,700 feet (5,700 metres)
Estimated time to drill, log and complete:	4 months
Operator:	Private company
Petsec working interest:	8.00%
Petsec net revenue interest:	5.84 %
Estimated net drilling cost to Petsec:	US\$1.4 million
Estimated net completion cost to Petsec:	US\$0.6 million

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Petsec Energy Ltd is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. It has operations in the shallow waters of the Gulf of Mexico and Louisiana Gulf Coast region of the USA, and exploration activities in Shale Oil projects in Canada and the USA.