PETSEC ENERGY LTD

ACN 000 602 700

31 October 2013

Petsec Energy Institutes an On-market Share Buy-Back and a Minimum Holding Share Buy-Back

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

Petsec Energy Ltd ("Petsec Energy" or "the Company") is pleased to advise that it has today instituted a buy-back of ordinary shares both on-market and for holders of unmarketable parcels of shares. Under the ASX Listing Rules, an unmarketable parcel is considered to be a shareholding valued at less than $500 ("Minimum Holding").

For the On-market Buy-back, Petsec Energy's broker, Canaccord, has been instructed to stand in the market from the 15th November 2013, for a period of two weeks ending on the 29th November 2013, to acquire up to 5% of the issued shares of the Company at or below a share price of 9.4 cents per share, which was the closing price of the stock on the 30th October 2013.

Petsec Energy retains complete discretion to vary the terms of the On-market Buy-back, which may be terminated by the Company at any time. Shares bought by the Company will be cancelled.

The On-market Buy-back has been instituted to provide liquidity to those shareholders who do not wish to support the Company's newly announced acquisition business plan in the USA and to reduce the significant administrative and share registry costs associated with Minimum Holdings.

At the closing price of 9.4 cents per share for the Company's shares on the 30th October 2013, a Minimum Holding is 5,319 shares or less. The Minimum Holding Buy-back will enable eligible shareholders registered on the 30th October 2013 to sell their full holding to the Company for 9.4 cents per share with no broking or administration fees.

The Company currently has approximately 4,484 shareholders of which 2,742 own a Minimum Holding. Minimum Holdings amount to 4,462,822 shares.

The closing date of the Buy-back is 17th December 2013. Shareholders with a Minimum Holding who wish to retain their shareholding must complete a Notice of Retention Form and return it to the Company's share registry, Boardroom Pty Limited. The Notice of Retention Form must be received by no later than 5:00pm (AEST) on 17th December 2013 otherwise their shares will be purchased by the Company.

Shareholders with a Minimum Holding who wish their shareholding to be purchased by the Company for 9.4 cents per share under the Minimum Holding Buy-back need do nothing.

If shares are held in multiple holdings, some of which are Minimum Holdings, then the Company will purchase the Minimum Holding unless a Notice of Retention Form is received for each Minimum Holding.

If a shareholding is purchased, the Company will forward as soon as practicable the proceeds of the purchase. A copy of the correspondence that will be sent to eligible shareholders is attached to this announcement.

For further information, please contact:

Paul Gahdmar
Company Secretary & Group Financial Controller

Level 13, Gold Fields House, 1 Alfred Street, Sydney NSW 2000, Australia
PO Box R204, Royal Exchange NSW 1225, Australia
Telephone (61 2) 9247 4605 Facsimile (61 2) 9251 2410
Company information is available on: petsec.com.au

PETSEC ENERGY LTD

ACN 000 602 700

1 November 2013

Dear Shareholder,

Minimum Holding Share Buy-back

Petsec Energy Ltd ("Petsec Energy" or "the Company") has instituted a buy-back of unmarketable parcels of shares ("Buy-back"). Under the Listing Rules of the Australian Securities Exchange ("ASX"), any shareholding valued at less than $500 is considered to be less than a "marketable parcel" ("Minimum Holding").

In accordance with Section 257B of the *Corporations Act (Cth) 2001*, the Company is able to purchase Minimum Holdings held by shareholders, unless the shareholder instructs the Company not to purchase some or all of the shares.

The Buy-back has been instituted to enable shareholders with a Minimum Holding to sell their shares without brokerage costs and other expenses, and to reduce for the Company the significant administrative and registry cost associated with the Minimum Holdings.

At the 30 October 2013, the closing price of the Company's shares was 9.4 cents per share. In accordance with the ASX Listing Rules and based on that price, a Minimum Holding represents 5,319 or less Petsec Energy shares. The Company currently has approximately 4,484 shareholders of which 2,742 own a Minimum Holding.

The share registrar of the Company has determined that your holding of Petsec Energy shares as at 7:00pm (AEST) on 30 October 2013 is valued at less than $500. If you want the Company to purchase your shares for 9.4 cents per share under the Buy-back, you need not do anything.

If you do not want your shares to be purchased by the Company under the Buy-back, you must complete the enclosed Share Retention Form and return it to the Company's share registry by no later than 5:00pm (AEST) on 17 December 2013.

If you hold shares in multiple holdings, some of which are a Minimum Holdings, then the Company will purchase those Minimum Holdings unless a Share Retention Form is received for each Minimum Holding.

If your shareholding is purchased, the Company will forward as soon as practicable the proceeds of the purchase. There will be no brokerage or administrative fees payable by shareholders whose shares are purchased by the Company under the Buy-back.

Shares purchased by the Company under the Buy-back will be cancelled.

Any taxation consequences arising from the purchase of your shares by the Company under the Buy-back will be your responsibility. If you require information regarding possible taxation implications, please consult your legal, financial or taxation advisor.

Yours faithfully

Terrence Fern

Chairman and Managing Director

Level 13, Gold Fields House, 1 Alfred Street, Sydney NSW 2000, Australia
PO Box R204, Royal Exchange NSW 1225, Australia
Telephone (61 2) 9247 4605 Facsimile (61 2) 9251 2410
Company information is available on: petsec.com.au

PETSEC ENERGY LTD
ABN 92 000 602 700

All correspondence to
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)
Tel: + 61 2 9290 9600 (outside Aust)
Fax: + 61 2 9279 0664

www.boardroomlimited.com.au
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Subregister

SRN/HIN.

Notice of Retention

IMPORTANT: This is an important document and requires your immediate attention. Petsec Energy Ltd (**Company**) is implementing a Minimum Holding Buy Back of parcels of the Company's shares valued at less than $500 (**Buy Back**). Further details regarding the Buy Back are set out in the letter to you from the Company dated 1 November 2013, which accompanies this form. If you do not want your parcel of shares in the Company referred to below bought back, you must complete this form and return it so that it is received by the Company's share registry no later than 5.00pm (AEDST) on 17 December 2013. If you are in any doubt as to how to deal with this form, you should consult your professional adviser.

A Number of shares held as at Record Date

The number of shares that you held at 7pm Sydney time on 30 October 2013.

B Retention of shares

☐ I/We refer to the letter from the company dated 1 November 2013 and hereby give notice that we would like to retain my/our shares.

C Contact details (Enter your contact details below)

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	( )	( )	

D Shareholder Signature

By signing and returning this form, I/we confirm that I/we understand that my/our shares will **NOT BE BOUGHT BACK.**

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Day	Month	Year
\	\	2013

This form must be received by no later than 5.00pm AEDST time on 17 December 2013

LODGEMENT INSTRUCTIONS ARE ON THE REVERSE OF THIS FORM

Additional information

How to complete this form

A. This is the number of shares that you held at 7pm AEST time on 30 October 2013.

B. If you would like to retain your shares, please mark the box on the front of this form and return it to the Company's share registry in accordance with the lodgement instructions below. If this form is not received by 5.00pm AEDST time on 17 December 2013, and you have not otherwise validly notified the Company that you wish to retain your shares, the Company will be entitled to Buy Back your shares. **IF YOU WOULD LIKE THE COMPANY TO BUY BACK YOUR SHARES, YOU SHOULD NOT COMPLETE THIS FORM.**

C. Enter your ***contact details*** so we may contact you regarding your form.

D. The form **must** be signed. In the spaces provided you must sign this form as follows:

Individual: Where the holding is in only one name, this form is to be signed by the securityholder.

Joint Holding: Where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

Lodgement of this Form

If you wish to retain your shares, this form must be completed and returned to the share registry by no later than 5.00pm AEDST time on 17 December 2013. If you are returning your form by post, please allow sufficient time for collection and delivery by postal services. The postal rule does not apply, which means that to be valid your completed form must be received by no later than 5.00pm AEDST time on 17 December 2013.

Mailing address:

Petsec Energy Ltd
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Petsec Energy Ltd
C/- Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

Consolidation of shareholdings

If you have more than one holding on the Petsec Energy Ltd register, you should consider consolidating them. For further information regarding this, please contact Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

Changes of Address Supported by your Signature(s)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		
Shareholder 1 (Individual) / Sole Director & Sole Company Secretary	Joint Shareholder 2 (Individual) / Director	Joint Shareholder 3 (Individual) / Director/Company Secretary *(Delete one)*

Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (http://www.boardroomlimited.com.au/Privacy.html).