

30 July 2015

Petsec Energy Tests Gas/Condensate at Williams #2 Alternate Well at Mystic Bayou Field – Onshore Louisiana, USA

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

Petsec Energy Ltd. (the “Company”) is pleased to advise the result of the production testing at its Williams #2 Alternate well at Mystic Bayou field in St. Martin Parish, approximately 40 miles southeast of the city of Lafayette, Louisiana. The well is operated by White Oak Operating Co. L.L.C. The Company has a 25% working interest (18.5% net revenue interest) in the well.

Upon reaching total depth, production casing was run in the well. Production logs were run through casing to total depth, and the well was subsequently completed through perforations from 16,970 feet through 17,020 feet. On 26 July, the well was opened to flow test the perforated interval. Over an approximately 13 hour test period the well was cleaned-up of drilling and completion fluids and tested at various restricted rates of up to 5.7 million cubic feet of gas per day and 744 barrels of condensate per day on a 13/64 inch choke with a flowing tubing pressure of 6,424 pounds per square inch (psi). After the initial clean-up period, no formation water was produced in the test.

The well was drilled directionally, from a surface location adjacent to field production facilities, utilising a barge drilling rig to a true vertical depth (TVD) of 16,873 feet (17,266 feet MD) to test the gas/condensate potential of the Lower Miocene Planulina age sands in a fault closure up-dip from production in Mystic Bayou Field. The well was drilled as an alternate unit well structurally up-dip in the same unit as the Williams #1 well, which has had cumulative production of 17.8 billion cubic feet of gas and 1.5 million barrels of condensate.

The Williams #2 Alternate well has been subsequently shut-in and the drilling rig has been moved off location. Forward plans are to tie the well into existing production facilities adjacent to the location over the next 3 to 4 weeks and to bring the well into production by early September.

Petsec Energy’s Chairman, Mr. Terry Fern commented:

“We are very pleased with the results of this well and look forward to continuing success from our current portfolio of active and committed wells, which include two additional exploration wells currently drilling and three other exploration wells which are planned to commence drilling before yearend.”

Participating working interests in the well are:

Petsec Exploration and Production L.L.C.	25%
White Oak Operating Co. L.L.C. (Operator)	75%

Details of the well:

Well name:	16,700’ RA SUA, Williams #2 Alternate
Type of well:	Exploitation
Location of well:	St. Martin Parish, Louisiana
Final Total Depth:	16,873 feet TVD (17,266 feet MD)
Operator:	White Oak Operating Co. L.L.C.
Petsec working interest:	25%
Petsec net revenue interest:	18.75%

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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 state waters of the Louisiana Gulf Coast region of the USA, and exploration activities in the Gulf Coast onshore and bay areas of Texas and Louisiana, USA and Yemen.