Petsec Energy Ltd

MARCH 2018 Quarter Results

Financials

Comparative Performance		Current Quarter Mar 2018	Previous Quarter Dec 2017	% Change	Corresponding Quarter Mar 2017	% Change
Net production	MMcfe	**234**	**122**	92%	81	189%
Average sales price	US$/Mcfe	**3.59**	**3.62**	(1%)	3.86	(7%)
Net revenue	US$000	**840**	**439**	91%	313	168%
EBITDAX [1]	US$000	**(679)**	**(2,727)**	n/a	(2,417)	n/a
Cash [2]	US$000	**3,884**	**3,486**	11%	10,200	(62%)
Debt (convertible note) [3]	US$000	**5,998**	**5,746**	4%	4,629	30%
AE&D expenditure [4]	US$000	**399**	**378**	6%	1,982	(80%)
US$/A$ closing exchange rate		**0.7681**	**0.7814**	(2%)	0.7638	1%

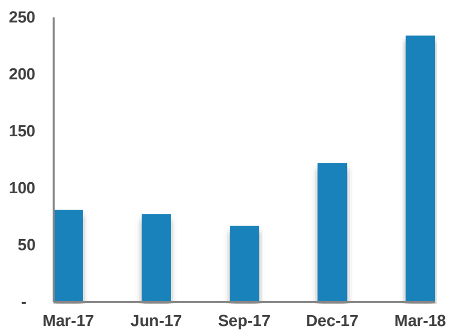
1 Earnings before interest, income tax, depreciation, depletion and amortisation, and exploration (including dry hole, impairment and abandonment expense, seismic and work-over expense). EBITDAX is a non IFRS number and is unaudited.

2 March 2018 cash includes restricted cash amounts of US$1.9 million (December 2017: US$0.2 million and March 2017: US$3.3 million).

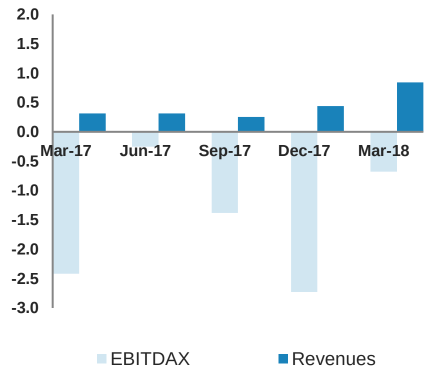
3. Represents liability recognised on the balance sheet at period end in respect of the convertible note debt and the associated foreign exchange derivative liability.

4 Acquisition, exploration and development expenditure (accrual-based amounts).

Production — MMcfe



Revenues/EBITDAX — US$m



Key Points

Corporate

- YEMEN: Al Barqa (Block 7) – Completed the transaction with Oil Search Limited to acquire all of the shares of its subsidiary Oil Search (ROY) Limited which holds a 40% working interest (34% participating interest) in the Al Barqa (Block 7) licence and operatorship. Petsec now holds 100% of Block 7 of which 25% requires Yemen Government approval.

Operations

- **Net production from USA operations March 2018 quarter**: 234 MMcfe (209 MMcf of gas and 4,151 barrels of oil/condensate).
- **USA: Main Pass 270/273/274, Hummer Project:** Production from the Main Pass Block 270 B-1 discovery well commenced on 21 November 2017. The well is currently producing at a gross rate of 18.1 MMcfpd and 370 bopd, delivering 1.76 Bcfe for the March Quarter, (189 MMcfe net to Petsec Energy).
- **YEMEN: Damis (Block S-1):** An Nagyah Oilfield restart of production operations remain suspended, awaiting Yemen Government approvals to access Yemen Government owned facilities, in order to truck oil to the East or South export facilities while waiting for the Marib Pipeline to be permitted to operate.

  The Company continued engagement with the Hadi Yemen Government administration to secure the requisite approvals to restart An Nagyah production as soon as possible.

  OMV restarted production from the Habban Oilfield, 70 km NE of An Nagyah, by trucking and using Yemen Government pipeline storage and export shipping facilities at Bir Ali, some 250 km South of An Nagyah, represents the first foreign oil company to restart oil operations since the suspension of Yemen Marib/Shabwah Basin oil production in April 2015. OMV has stated it aims to produce at rates of 10,000 to 12,000 bopd in 2018.
- **Independently assessed net proven and probable (2P) oil and gas reserves of Petsec Energy:** 9.4 MMboe at 1 January 2018.
- **Independently assessed net present value (NPV10) of 2P Reserves of Petsec Energy:** US$189.8 million (AUD: 77 cents per Petsec Energy share).

Financials

- **Net oil and gas revenues for the March 2018 quarter:** US$0.84 million.
- **Cash balance:** US$3.9 million (including US$1.9 million of restricted deposits).

Petsec Energy Ltd

ASX: PSA
OTC ADR: PSJEY

Petsec Energy is an independent oil and gas exploration and production company listed on the Australian Stock Exchange with operations in the shallow waters of the Gulf of Mexico and onshore Louisiana, USA, and the Republic of Yemen.

Registered Business Office

Level 27,
Governor Macquarie Tower
One Farrer Place
Sydney, NSW 2000
Australia

Telephone: + 61 2 9247 4605
Facsimile: + 61 2 9251 2410
Website: www.petsec.com.au

USA Offices

1201 Louisiana, Suite 306
Houston, Texas 77002 USA

Telephone: + 1 713 457 5800
Facsimile: + 1 713 457 5838

301 E. Kaliste Saloom Road,
Suite 300, Lafayette
Louisiana 70503 USA

Telephone: + 1 337 989 1942
Facsimile: + 1 337 989 7271

Dubai Office

Indigo Icon Tower, Suite 2908
Cluster F, Jumeirah Lakes Towers
Dubai, UAE

Telephone: + 971 4 454 7714
Facsimile: + 971 4 451 8443

Sana'a Office

6th Floor, Libyan Trade Center
Algeria (ST),
Sana'a, Yemen

Telephone: + 967 1 448392
Facsimile: + 967 1 448368

Board of Directors

Chairman & Managing Director
Terrence Fern

Non-executive Directors
David Mortimer
Alan Baden

Management

Australian Executives
Terrence Fern – Managing Director
Paul Gahdmar – Company Secretary & Group Financial Controller
Manny Anton – Head of Investor Relations & Corporate Development

US Executive – Petsec Energy Inc.
Ross Keogh – President/Group CFO

MENA Executives – Petsec Energy (Middle Eastern) Limited
Maki Petkovski – CEO
Murray Hawkes – COO and Yemen General Manager
John Rees – VP Technical

Investor & Media Enquiries

Manny Anton
Paul Gahdmar

Telephone: + 61 2 9247 4605

Financial

Production

The Company achieved net production of 234 MMcfe (209 MMcf of gas and 4,151 barrels of oil/condensate) for the March 2018 quarter. This was 92% higher than the December 2017 quarter, reflecting the full quarter contribution to production from the Main Pass Block 270 B-1 well on the Hummer Field.

Refer to table below and "*Operations*" section for further details on production from the various fields.

Net production (in MMcfe)	Mar 2018 Quarter	Dec 2017 Quarter	% Increase/ Decrease
Jeanerette Field – ASF No.4	-	-	
Mystic Bayou Field – Williams No.2	45	58	
Hummer Field – Main Pass 270 B-1	189	64	
Total	**234**	**122**	**92%**

Revenues and Cashflow

Net oil and gas revenues generated for the March 2018 quarter were US$840,000. This was 91% higher than that achieved in the December 2017 quarter of US$439,000 due to the increase in production volumes.

The net average gas equivalent sales price realised for the current quarter of US$3.59/Mcfe was generally in line with that of the previous quarter. The Company received US$63.64/bbl and US$2.76/Mcf for its oil/condensate and natural gas production, respectively. This compares to an average gas equivalent sales price of US$3.62/Mcfe (US$51.66/bbl and US$3.04/Mcf for its oil/condensate and natural gas production, respectively) in the December 2017 quarter. The benefit of higher oil prices was negated by lower natural gas prices.

The Company recorded negative EBITDAX of US$0.7 million for the current quarter (previous quarter: negative EBITDAX of US$2.7 million).

A "*Financial Summary and Production Data*" table is provided on page 4 of this report.

Cash Position

At 31 March 2018, the Company held cash deposits of US$3.9 million (A$5.1 million). The cash deposits which are predominantly held in US dollars included secured deposits of US$1.9 million.

The Company continues to implement additional MENA cost reduction initiatives pending restart of the An Nagyah Oilfield on receipt of Yemen Government approvals.

Secured Convertible Note Facility

At 31 March 2018, the Company had drawn down US$5 million under its secured convertible note facility.

As announced to the ASX on 22 February 2018, the Company extended the redemption date of the facility from 23 January 2019 to 23 July 2019. The Company also re-established Tranche 2 under the facility, which expired on 5 January 2018, which will provide the Company with access to a further US$5 million to fund the restart of production at the An Nagyah Oilfield in Yemen.

On 29 March 2018, the Company was granted a waiver from ASX Listing Rule 7.3.2 to allow the issue of convertible notes, shares issued upon conversion of the convertible notes, and shares issued in lieu of payment of interest on the convertible notes, at any time before the redemption date (i.e. 23 July 2019) without affecting the Company's Listing Rule 7.1 capacity, subject to the conditions as disclosed in the Company's notice of Annual General Meeting released to the market on 17 April 2018.

The Company will seek shareholder approval at the 17 May 2018 Annual General Meeting, for the purposes of Listing Rule 7.1 and for all other purposes, for the issue and allotment of up to 80 million shares should there be conversion of the convertible notes at any time up to 23 July 2019.

U.S. Oil and Natural Gas Prices

WTI crude oil prices continued to rise in the March 2018 quarter mainly due to inventory declines, which were lower than the five-year average for the first time since 2014. On 17 April 2018, the NYMEX 12 month and 36 month forward strip prices for WTI crude oil were trading at approximately US$64.62/bbl and US$59.46/bbl, respectively. This compares to US$62.14/bbl and US$58.52/bbl, respectively on 21 January 2018.

U.S. natural gas spot prices traded in a range between US$2.55 and US$3.63/MMBtu during the March 2018 quarter, peaking in late January 2018 before trending lower over the remainder of the quarter. NYMEX futures contracts for delivery in May 2018 were trading at approximately US$2.75/MMBtu on 17 April 2018.

The NYMEX 12 month and 36 month forward strip prices for U.S. natural gas remained relatively flat, trading at approximately US$2.88/MMBtu and US$2.81/MMBtu, respectively on 17 April 2018 (US$2.92/MMBtu and US$2.84/MMBtu, respectively on 21 January 2018).

According to U.S. Energy Information Administration estimates, working natural gas in storage at 6 April 2018 was 1,335 Bcf. This was 725 Bcf or 35.2% lower than the 2,060 Bcf reported at the same time last year and 375 Bcf or 21.9% lower than the 5-year average of 1,710 Bcf.

Operations

Production

USA

Adeline Sugar Factory ("ASF") No. 4 Well – Jeanerette Field

Petsec: 12.5% working interest (9.2% net revenue interest)

The ASF No. 4 well located in St. Mary Parish, Louisiana was drilled and brought into production in June 2014.

In mid-November 2015, the ASF No. 4 well was shut-in due to high water production and a restriction in the tubing due to salt build-up. The well has produced on an intermittent basis since that time, and it's the operator's intention to continue in that manner for the near-term.

16,700 RA SUA; Williams No.2 Well – Mystic Bayou Field

Petsec: 25% working interest (18.50% net revenue interest)

The 16,700 RA SUA; Williams No.2 gas/condensate discovery well on the Mystic Bayou Field in St. Martin Parish, Louisiana was drilled and brought into production on 31 August 2015.

The well averaged gross daily production rates of approximately 2.5 MMcfpd and 46 bcpd for the March 2018 quarter.

Main Pass Block 270 B-1 well – Hummer Gas/Oil Field (Main Pass 270/273/274)

Petsec: 12.5% working interest (10.26354% net revenue interest) + 0.441% ORRI

The Main Pass Block 270 B-1 well on the Hummer exploration prospect in 215 feet of water, offshore Louisiana (federal waters) was drilled during the second half of 2015 and brought into production on 21 November 2017.

The well has averaged gross daily production rates of 17.6 MMcfpd and 356 bcpd for the March 2018 quarter, and is currently producing at a rate of approximately 18.1 MMcfpd and 370 bopd.

Development

USA

Main Pass Block 270 B-1 well – Hummer Project

Petsec: 12.5% working interest (10.70454% net revenue interest)

The Hummer Gas/Oil Field extends over Main Pass Blocks 270,273 and 274, in the Gulf of Mexico, offshore Louisiana, USA. The Hummer Project discovery well, Main Pass 270 B-1, was drilled, logged and temporarily suspended in late 2015.

The Main Pass 270 "B" platform jacket was installed over the well, and the well was completed and production tested in late 2016. Following the production test the well was suspended pending installation of the deck, production facilities and pipelines. In early November 2017 the Main Pass 270 "B" Platform deck facilities and pipelines were successfully installed and the well was brought into production on 21 November 2017.

The initial design capacity of the "B" platform facilities is for production rates of up to 50 MMcfpd plus 1,000 bopd which will accommodate the discovery well, Main Pass 270 B-1. The facilities were designed with space available on the deck to expand production capacity and accommodate increased production from additional wells expected to be drilled from the "B" platform and any proximal well head platforms.

Logs from the discovery well indicate four additional potential gas/oil sands/reservoirs in the well and these untested sands will be targets of future drilling for expansion of the Hummer Project. Significant production occurs for similar reservoirs along trend, with peak production rates from those intervals exceeding 25 MMcfpd and 1,000 bopd.

The Company anticipates additional appraisal and development drilling to commence in mid-2018.

MENA

YEMEN

The Company holds a 100% working interest in two blocks in Yemen, 80 km apart in the Marib Basin - Damis Block S-1 Production Licence and Block 7 Exploration Licence.

The Damis Block S-1 contains five oil and gas fields with target resources in excess of 54 million barrels of oil and 550 Bcf of natural gas. The An Nagyah Oilfield is developed with 32 wells and has associated production facilities capable of producing 20,000 barrels of oil per day, connected to the Marib Pipeline which terminates at the Ras Isa Oil Export Terminal on the Red Sea to the West.

Block 7 holds the Al Meashar Oilfield with target resources of 11-50 million barrels of recoverable oil, plus eight prospects and leads with potential ranging from 2 to 900 million barrels of oil.

The Company has concentrated its efforts since early 2017 on securing government approvals to access Yemen Government owned pipe line, storage and export shipping facilities in order to allow the re-start of oil production from the Company's An Nagyah Oilfield by trucking oil to Yemen Government owned facilities to the East and South of the oilfield, until such times as the Marib Pipeline to the Red Sea terminal becomes available when the current GCC embargo initiated in April 2015, is lifted.

Block 7, Al Barqa Permit, Yemen

Petsec: 100% working interest (85% participating interest)

Petsec Energy acquired its interest in the period 2014-2017.

Block 7 is an onshore exploration permit covering an area of 5,000 square kilometres (1,235,527 acres) located approximately 340 kilometres east of Sana'a. The block contains the Al Meashar oil discovery as well as an inventory of leads and prospects defined by 2D and 3D seismic surveys with significant oil potential.

During the March 2018 Quarter, the Company completed its transaction with Oil Search Limited (ASX: OSH) to acquire all of the shares of its subsidiary Oil Search (ROY) Limited which holds a 40% working interest (34% participating interest) in the Al Barqa (Block 7) licence and operatorship, in the Republic of Yemen.

Completion of the Oil Search agreement follows the transactions with AWE Limited (25% working interest) and Mitsui E&P Middle East B.V. (10% working interest), completed and approved by the Yemen Ministry of Oil and Minerals in 2014, and the 2016 transaction with KUFPEC (25% working interest) to acquire their interest in Block 7, which is pending approval from the Ministry of Oil and Minerals.

The acquisition of Oil Search (ROY) Limited increases Petsec's potential working interest in Block 7 to 100% and operatorship of the block.

Block 7 contains two suspended discovery wells of the Al Meashar Oilfield (target resource of 11 MMbbl to 50 MMbbl [1]) which is located 14 km East of OMV's Habban Oilfield which holds ultimate recoverable reserves of 350 million barrels of oil, in the same reservoir rocks as Al Meashar.

In 2010-11, short-term testing of the two Al Meashar wells delivered flow rates ranging from 200 to 1,000 bopd. The block also contains eight potential prospect/lead targets ranging in size from 2 to 900 MMbbl oil gross.

1 Source: Oil Search Limited

Damis (Block S-1), Production Licence, Yemen

Petsec: 100% working interest (82.5% participating interest)

Petsec Energy acquired 100% of the block in early 2016.

Damis (Block S-1) is located approximately 80 kilometres to the southwest of Block 7 and holds five sizeable oil and gas discoveries – the developed and productive (until suspended in 2014), An Nagyah Oilfield, and a further four undeveloped oil and gas fields – Osaylan, An Naeem, Wadi Bayhan, and Harmel.

The four undeveloped fields hold substantial oil and gas resources in excess of 34 MMbbl of oil and 550 Bcf of gas [1] representing substantial potential future growth of reserves and production for the Company

The block contains significant existing infrastructure, including the An Nagyah Oilfield facilities which were shut-in at the end of February 2014 following the declaration of Force Majeure by the previous operator due to the political situation in Yemen and the resulting inability to ship An Nagyah oil from the export pipeline terminus on the West coast of Yemen. The field was brought into production in 2004 with recoverable oil of 50 MMbbl of which about 50% remains to be recovered, and produced at a peak rate of 12,000 bopd. The An Nagyah production facilities have been well maintained during the shut-in period and remain in good condition.

While the crude oil export terminal at Ras Isa remains closed, the Company has pursued other oil transport options. These include oil production to be trucked 530 km East to the Masila Basin Pipeline Hub, and thence by pipeline South to the export oil terminus of Ash Shihr near Mukalla, or oil trucked 70 km East to the head of the Block 4 pipeline which runs 204 km South to storage and export shipping facilities at Bir Ali, or trucking oil 300 km South West to the refinery at Aden.

The internationally recognised Yemen Government led by President Hadi has requested that oil producers in Southern Yemen restart production as soon as possible, using the Yemen Government's facilities in the Shabwah and Masila areas until such times as the Marib Pipeline is permitted to be operational.

The Company has been seeking the necessary government approvals to access the above mentioned government oil export facilities, since early 2017.

At such time as the government delivers the necessary approvals to support Marib/Shabwah oil production and delivery to Yemen Government owned facilities, the operations to restart oil production at the An Nagyah Oilfield can commence.

The Company is planning to commence production at 5,000 bopd and within 12 months increase production to 10,000 bopd, from currently suspended wells.

Based on a production rate of 5,000 bopd only, in the remaining period of the production licence, using the costs associated with trucking 530 km to the Masila Basin pipeline, the independent audited reserves were assessed to be 12.8 MMbbl (2P) gross of which the financial net to Petsec Energy is 5.6 MMbbl of oil, having an NPV10 value of US$155 million at the forward prices of 1 January 2016.

OMV, an Austrian based international oil company, the operator of the Habban Oilfield in Block S2, situated 70 km North East of the Company's An Nagyah Oilfield, and 14 km West of Petsec Energy's Al Meashar Oilfield in Block 7, has also been seeking approvals since 2016 to access government facilities in order to truck oil to Masila or Bir Ali.

OMV announced in early April 2018, the restart of oil production from the Habban Oilfield, where production had been suspended since March 2015 because of the Saudi Coalition embargo of oil transport from the Red Sea, Ras Isa Oil Export Terminal. The 350 million barrel oil field was producing 23,000 bopd at the time of suspension. OMV has stated that "The oil is being trucked to the facilities in the near-by Block 4, operated by YICOM (Yemen Company for Investment in Oil & Minerals) and further pumped via a 204 km pipeline to YICOM's Al Nushaima Terminal where it is lifted by vessel, transported and sold to the Aden Refinery.

OMV is aiming to reach a production level of 10,000 to 12,000 bopd still as of 2018."

Petsec Energy welcomes the news of the first international oil company to restart operations in the Marib Basin since March 2015 when the Saudi Coalition commenced military operations in Yemen. It bodes well for the restart of the Yemen oil industry, and for Petsec Energy approvals allowing restart of the An Nagyah Oilfield.

1 Source: Wood Mackenzie Asia Pacific Pty Ltd

Oil and Gas Reserves and Valuation

USA

The independently assessed net proved and probable (2P) reserves at 1 January 2018, held by the Company in the USA, were estimated by reserve auditors Cawley, Gillespie & Associates to be 15.9 billion cubic feet of gas ("Bcf") and 1.137 million barrels of oil ("MMbo") which equates to 3.8 million barrels of oil equivalent ("MMboe").

The net present value of those US reserves were US$34.8 million at an annual discount rate of 10% (NPV10) calculated using the forward swap prices that were in effect on 31 December 2017. This NPV10 is a 39% increase on the previous year.

The NPV10 value of US$34.8 million for the US reserves equates to approximately AUD: 14 cents per share.

MENA - Yemen

The estimated 2P reserves held by the Company in the An Nagyah Oilfield in Yemen, the only developed field out of the six oil and gas fields held by the Company in Yemen, were estimated by reserve auditors DeGolyer McNaughton, at 1 January 2016 to be 5.6 MMbbl of oil based on a production rate of 5,000 bopd only and trucking 530 km East to Petro Masila for the remaining initial licence period.

The Net Present Value (NPV10) of those Yemen reserves using forward prices at the 1 January 2016, was approximately US$155 million, as reported to the ASX on 15 March 2016.

The NPV10 value of US$155 million for the Yemen reserves equates to approximately AUD: 63 cents per Petsec Energy share.

On a combined basis, the Company's independently estimated proved (1P) oil and gas reserves net to its economic interest on 1 January 2018 were 11.9 Bcf of gas and 5,594 Mbbl of oil/condensate (equivalent to 7,575 Mboe). The estimated 2P reserves net to the Company's economic interest were 15.9 Bcf of gas and 6,785 Mbbl of oil/condensate (equivalent to 9,419 Mboe).

On a combined basis the NPV10 of the Company's USA and Yemen 2P Reserves is US$189.8 million which equates to approximately AUD: 77 cents per Petsec Energy share.

Proposed Activities – June 2018 Quarter

USA

Management will be focussed on expanding oil and gas reserves in the Gulf Coast region, and on preparations for further development and appraisal drilling of the Hummer Gas/Oil Field, anticipated to begin mid-2018.

MENA – Yemen

Management will continue to focus on securing the necessary Hadi Government approvals to permit the completion of negotiations covering trucking, pipeline access, storage, and shipping contracts, necessary to restart An Nagyah oil production.

Financial Summary and Production Data

Unaudited preliminary financial data			Mar 2018 Quarter	Dec 2017 Quarter	% Increase/ (decrease)	Three months to Mar 2018	Three months to Mar 2017	% Increase/ (decrease)
Financials								
Net revenue		US$000	**840**	439	91%	**840**	313	168%
Other revenue/(expense)		US$000	**18**	22		**18**	11	
Lease operating expenses		US$000	**(133)**	(1,730)		**(133)**	(801)	
Geological, geophysical & administrative expenses (GG&A)		US$000	**(1,404)**	(1,457)		**(1,404)**	(1,940)	
EBITDAX		US$000	**(679)**	(2,726)	n/a	**(679)**	(2,417)	n/a
Cash		US$000	**3,884**	3,486	11%	**3,884**	10,200	(62%)
Debt (convertible note facility) [1]		US$000	**5,998**	5,568	4%	**5,998**	4,629	30%
Acquisition, exploration & development expenditure								
Acquisition		US$000	**195**	2		**195**	51	
Exploration		US$000	**-**	-		**-**	-	
Development		US$000	**204**	376		**204**	1,931	
Total		US$000	**399**	378	6%	**399**	1,982	(80%)
Production (MMcfe)	**W.I.**	**N.R.I**						
USA								
Offshore Gulf of Mexico								
Main Pass Blk 270 (Hummer)	12.5%	10.70454% [2]	**189**	64		**189**	-	
Onshore Louisiana								
Mystic Bayou Field	25%	18.5%	**45**	58		**45**	81	
Jeanerette Field	12.5%	9.0%		-			-	
Total		MMcfe	**234**	122	92%	**234**	81	189%
Unit revenue/cost analysis per Mcfe (US$)								
Oil/Condensate per barrel		US$	**63.63**	51.66	23%	**63.63**	50.15	27%
Gas per Mcf		US$	**2.76**	3.04	(9%)	**2.76**	3.20	(14%)
Average sales price per Mcfe		US$	**3.59**	3.62	(1%)	**3.59**	3.86	(7%)
Other revenue/(expense) per Mcfe		US$	**0.08**	0.18		**0.08**	0.14	
Lease operating expense per Mcfe		US$	**(0.57)**	(14.18)		**(0.57)**	(9.89)	
GG&A expense per Mcfe		US$	**(6.00)**	(11.94)		**(6.00)**	(23.95)	
EBITDAX per Mcfe		US$	**(2.90)**	(22.32)	n/a	**(2.90)**	(29.84)	n/a

1 *Represents liability recognised on the balance sheet at period end in respect of the convertible note debt and the associated foreign exchange derivative liability.*
2 *Comprises 10.26354% NRI and 0.441% ORRI.*

Glossary

Bcfe = billion cubic feet of gas equivalent
BOPD = barrels of oil per day
Mcfe = thousand cubic feet of gas equivalent
MMcfe = million cubic feet of gas equivalent
TVD = True Vertical Depth
bcpd = barrels of condensate per day
bwpd = barrels of water per day
MD = Measured Depth
MMcpd = million cubic feet of gas per day
boe = barrels of oil equivalent
Mcf = thousand cubic feet of gas
MMbbl = million barrels
TD = Total Depth

Company Reserve Assessments

The Company's reserves assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The USA and Yemen reserve estimates provided within this announcement are based on information contained within the announcement to the ASX on 22 February 2018 and the 2017 Annual Report.

The Company confirms that it is not aware of any new information or data that materially affects the information included within that announcement, and that all the material assumptions and technical parameters underpinning the estimates therein continue to apply and have not materially changed.

For further information, please contact:

Paul Gahdmar
Company Secretary & Group Financial Controller
Petsec Energy Ltd
Governor Macquarie Tower
Level 27, One Farrer Place
Sydney, NSW 2000
Telephone: + 61 2 9247 4605
Facsimile: + 61 2 9251 2410

Manny Anton
Head of Investor Relations & Corporate Development
Petsec Energy Ltd
Governor Macquarie Tower
Level 27, One Farrer Place
Sydney, NSW 2000
Telephone: + 61 2 9247 4605
Facsimile: + 61 2 9251 2410