

10<sup>th</sup> September 2018**Petsec Energy Provides Drilling Update on Main Pass Block 273 B-2  
Appraisal/Development Well on the Hummer Gas/Oil Field  
Gulf of Mexico, USA***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy Ltd (the “Company”) is pleased to provide a drilling update on the Main Pass Block 273 B-2 appraisal/development well currently being drilled on the Hummer Gas/Oil Field Gulf of Mexico, USA.

The Main Pass 273 B-2 well has been drilled to 4,750 feet measured depth, at which depth 20 inch surface casing will be run and cemented prior to drilling ahead to the next casing point at 8,700 feet. Prior to reaching the current casing point, 30 inch pipe was driven to a depth of 670 feet measured depth and 24 inch conductor pipe was set at 1,000 feet measured depth.

Earlier this week Tropical Storm Gordon entered the Gulf of Mexico and passed within approximately 100 miles of the B-2 well and the Main Pass Block 270 “B” Production Platform with no loss or damage to the platform or the Ensco 68 drilling rig being reported.

The B-2 appraisal/development well is being drilled from the Main Pass Block 270 “B” Production Platform, to a bottom hole location approximately 6,000 feet to the East of the B-1 discovery well. This is the first of potentially 3 to 8 appraisal/development wells required to develop the field.



*Main Pass Block 270/273/274 Hummer Project: ENSCO 68 Jackup Drill Rig*

M  
E  
D  
I  
A  
  
R  
E  
L  
E  
A  
S  
E

The well is designed to test, in a structurally advantageous position, six oil and gas reservoirs, these being the five oil and gas reservoirs that were intersected in the B-1 well and a deeper horizon not tested by the B-1 well, but productive in the area.

The primary objectives of the B-2 well are two sand reservoirs with proven oil and gas reserves discovered in the B-1 well (Cawley, Gillespie & Associates, independent reserve engineers), one of which is categorised as Proved Developed Producing (PDP), the other Proved Undeveloped (PUD). These reservoirs are also productive in similar nearby fields (Main Pass 280/283 Field Complex).

The B-2 well is planned to be drilled to a measured depth (MD) of 18,559 feet with a true vertical depth (TVD) of 16,624 feet. The well is being drilled utilising the Ensco 68 jack-up drilling rig and is expected to take approximately 80 days to reach total depth. Contingent on the results of the well the production facilities will be expanded and the well completed for production with production estimated to begin in December 2018.

The estimated net cost to the Company to drill the well is approximately US\$2.6 million, plus US\$1.0 – US\$1.2 million for completion and additional production facilities.

**Participating working interests in the well are:**

Petsec Energy Inc.	12.5% (10.26354% Net Revenue Interest + 0.441% Overriding Royalty Interest)
Other Private Companies	87.5%

**Details of the well:**

Well Name:	Main Pass Block 273 #B-2
Type of Well:	Appraisal/Development
Location of Well:	Offshore Louisiana, Federal Waters
Estimated days to TD:	80 Days
Final TD:	18,559 feet MD/16,624 feet TVD (deviated hole)
Operator:	Castex Offshore, Inc.
Estimated net dry hole cost:	US\$2.6 million

**For further information, please contact:**

Mr. Paul Gahdmar Company Secretary & Group Financial Controller Petsec Energy Ltd Level 27, Governor Macquarie Tower One Farrer Place Sydney NSW 2000 Tel: (612) 9247 4605 Fax: (612) 9251 2410	Mr. Manny Anton Head of Investor Relations & Corporate Development Petsec Energy Ltd Level 27, Governor Macquarie Tower One Farrer Place Sydney NSW 2000 Tel: (612) 9247-4605 Fax: (612) 9251 2410
--	---

*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. The Company also has operations onshore in the Republic of Yemen.*