

19<sup>th</sup> November 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.

On 7 November 2018, the Main Pass Block 273 B-2 well was drilling ahead at approximately 10,342 feet when the Main Pass 270 “B” production platform and Ensco 68 drilling rig were struck by lightning during a serious thunderstorm. As a result, it was necessary for the operator to stop drilling while repairs were being made to the rigs electrical equipment, and when re-entering the hole the well was unintentionally side-tracked. The decision was made to plug back to 9,100 feet and drill a bypass around that section of the hole. Well operations are back to drilling and the well is drilling ahead at 9,653 feet.

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*

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 a further 50 to 60 days to reach total depth. Contingent on the results of the well the production facilities will be expanded, and the well will be completed for production with production estimated to begin in February 2018.

The estimated net cost to the Company to drill the well has been revised and is approximately US\$3.75 million, plus US\$1.2 million to US\$1.5 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
Final TD:	18,559 feet MD/16,624 feet TVD (deviated hole)
Operator:	Castex Offshore, Inc.
Estimated net dry hole cost:	US\$3.75 million

**For further information, please contact:**

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