

14th February 2019

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.

A 7 5/8 inch expandable liner has been set, cemented and pressure tested at 14,000 feet measured depth (MD)/13,193 feet true vertical depth (TVD). Following this the water-based drilling mud was replaced with an oil-based drilling mud system and the well is currently preparing to drill ahead to the planned objectives below 15,000 feet measured depth.



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

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.

The well is designed to test, in a structurally advantageous position, six potential 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.

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). In addition, secondary exploration/evaluation targets will also be tested. Similar reservoirs are productive in nearby fields at the 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 reach total depth in mid to late March 2019. Contingent on the results of the well the production facilities will be expanded, and the well will be completed for production with first production now estimated to begin in early to mid-May 2019.

Due to complexities in the drilling of the well, the estimated net cost to the Company to drill has been revised to approximately US\$5.5 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 (ST00BP01)
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\$5.5 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.