

20th December 2021

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir/Madam,

Re: Section 258F Share Capital Reduction

Petsec Energy Ltd (ASX Ticker: PSA) (the “Company”) is pleased to announce that the Board has resolved to reduce the Company’s share capital by US\$196 million in accordance with Section 258F of the Corporations Act. The capital reduction will be made as of the date of this announcement (i.e. 2021 financial reporting year) and will have the effect of reducing the share capital account and reducing the Company’s accumulated accounting losses.

The capital reduction is a technical adjustment which does not require shareholder approval and has no impact on the Company’s assets, net assets, financial results, cash flow or funding. The number of shares on issue will not change as a result of the capital reduction.

Under section 258F(1) of the Corporations Act, a company may reduce its share capital without shareholder approval by cancelling any paid-up share capital that is not represented by available assets. Accordingly, the Company intends to reduce its share capital and accumulated accounting losses by US\$196 million, representing historical realised losses associated with its discontinued operations in the USA, Canada and China.

The Company is required to make the following disclosures to shareholders under ASX Listing Rules 7.20.1 – 7.20.3:

- The capital reduction will have no effect on the number of issued securities;
- There are no fractional entitlements arising from the capital reduction; and
- The capital reduction will have no effect on the convertible securities on issue.

This announcement is authorised for market release by the Chairman of the Company.

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. The Company holds interests in two onshore blocks in the Republic of Yemen.