

# PETSEC ENERGY LTD

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1<sup>st</sup> April 2022

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

Dear Sir/Madam,

## **Re: Removal from Official List of ASX**

Petsec Energy Ltd (“Petsec Energy” or “the Company”) advises that the Company will be removed from the official list of ASX before the commencement of trading on Monday, 4<sup>th</sup> April 2022 in accordance with ASX Guidance Note 33 as a long-term suspended entity.

The Company’s shares were initially placed in voluntary suspension on 3 April 2020, following the Board’s consideration of the confluence of events at that time which affected the Company, particularly the effects of the Coronavirus COVID-19 pandemic which resulted in an unprecedented collapse in oil and gas prices and a lockdown of government administrative processes around the World.

The voluntary suspension provided the time to allow the Company to effectively resolve its cost structure, financing, and business plan to protect and enhance shareholder value during the period of the pandemic.

The Company had initiated the process for requote on the ASX in July 2021 with the submission of a ‘Formal Request for Reinstatement’. The Company engaged and worked through this process with the ASX in order to determine the terms required for its reinstatement. The Company’s objective was for reinstatement to occur once the An Ngyah Oilfield in Block S-1, Yemen is returned to production.

In November 2021, the ASX determined that the Company does not currently meet the ASX Listing Rule requirements under ASX Listing Rules 12.1 and 12.2 with regard to considerations specific to the level of operations and financial condition of the Company.

The ASX advised that it would reconsider the Company’s compliance with Listing Rules 12.1 and 12.2 once it received confirmation that the Operator has received clearance to recommence field operations and has restarted production from Block S-1; and should the Company be able to demonstrate that it has a minimum working capital of \$1.5 million at the point of reinstatement.

Unfortunately, the Company has not been able to satisfy the ASX requirements for reinstatement prior to the completion of the two-year anniversary of entering into voluntary suspension and will now be removed from the official list of ASX.

The Company will become an unlisted public company with some 688 remaining shareholders following its recently concluded Minimum Holding Share Buy-back. The delisting from the ASX, however, provides the opportunity for the Company to further reduce its administrative costs whilst it continues to work with the Operator towards achieving the restart of production from the An Ngyah Oilfield.

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**Block S-1 Production**

In October 2020, the Company had secured a financially strong and Yemen experienced oil producer to be the operator of Block S-1, as required by the Yemen Minister for Oil and Minerals, in order to receive government approvals to access government owned export transportation facilities which would permit the restart of oil production from the An Nagyah Oilfield in Block S-1.

The Company was expectant, as advised by the Operator, Octavia Energy, that the An Nagyah Oilfield would be returned to production initially in early 2021, then later in the year.

However, the restart of production has been delayed for two main reasons. The first being that Ministry of Oil and Minerals (“MoM”) approval is yet to be granted to the Block S-1 Joint Venture (“JV”). The Operator considers MoM support and clearance to recommence field operations as necessary to access the Block S-1 Central Processing Facilities and restart production.

The second reason is due to the political uncertainty consequent to the removal of the Houthi from the U.S. Terrorist List in February 2021 by the then newly elected Democrat Administration in the U.S., and the U.S. constraints placed on Saudi Arabia in the Yemen conflict, plus the unseemly U.S. exit from Afghanistan, the Houthis had been energised, well supported by Iran as had the Taliban, and had intensified their attacks on Marib City (173 kilometres East of Sana’a), which is proximal (65 kilometres East) to the SAFER Block 18 oil and gas fields. The Hadi Government has held control of Marib City since April 2015. The Houthi have been attempting to control the city for the past three years in order to control the SAFER oilfields.

Consequently, the Operator is unable at this time to provide the JV with a firm date for the return to site and restart of oil production from the An Nagyah Oilfield.

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.*