

3 December 2014

**Petsec Energy Announces 2015 Exploration Programme –
Minimum of Five Oil and Gas/Condensate Exploration Wells to
Be Drilled on the Gulf Coast, USA***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy is pleased to advise that the Company's Board has approved the 2015 Exploration Programme in which five committed and three optional conventional exploration wells are planned to be drilled on the Gulf Coast and in the Gulf of Mexico, USA.

Petsec Energy will expose US\$7.3 million in prospect and exploration drilling costs on the five committed exploration wells which target prospects ranging in size from 10 to 66 Bcfe gross (2.4 to 6.7 Bcfe net to Petsec Energy) for a total exposure of 18.3 Bcfe net to Petsec Energy.

The five committed exploration wells will test oil and gas/condensate prospects which are all located onshore Louisiana, other than the Company's Hummer Prospect which is located in 215 feet of water on the Main Pass Block 270/273/274 leases in the Gulf of Mexico, offshore Louisiana.

The first well in the 2015 Exploration Programme, the Hebert # 1 well, to test the SW Holmwood gas/condensate Prospect, started drilling in late November 2014 and is expected to reach Total Depth ("TD") by the end of December. This is a vertical well to a proposed TD of 12,000 feet (3,659 meters) to test a fault closure on the East flank of the Lake Charles gas/condensate Field. Petsec Energy holds a 37.5% working interest in the prospect.

The remaining four committed exploration wells are scheduled to be drilled in the first half of 2015.

Petsec Energy's Chairman, Mr Terry Fern, commented:

"Petsec Energy's 2015 Exploration Programme represents the first significant increase in drilling activity for the Company since the closure of the Gulf of Mexico, USA, to exploration drilling in 2010 due to the Macondo oil well blowout, and the collapse in U.S. natural gas prices.

The return to conventional exploration drilling follows the stabilisation of the price of U.S. natural gas prices to a satisfactory level and the Company's announced decision in mid-2013 to refocus its exploration efforts onto conventional oil and gas prospects in onshore areas along the Gulf Coast of the USA.

The five exploration wells the Company will drill between now and mid-2015 will expose the Company to a net 18.3 Bcfe, which if achieved, would add substantially to Petsec Energy's net asset value. The Company looks forward to the successful prosecution of its 2015 Exploration Programme with great anticipation".

For further information, please contact:

Mr. Paul Gahdmar
Company Secretary & Group Financial Controller
Petsec Energy Ltd
Level 13, 1 Alfred Street
Sydney NSW 2000
Tel: 612 9247 4605 Fax: 612 9251 2410

Mr. Ross A. Keogh
President & Group Chief Financial Officer
Petsec Energy Inc.
1201 Louisiana, Suite 520
Houston, Texas 77002, USA
Tel: (713) 457-5800 Fax: (713) 457-5838

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, and exploration activities in the Gulf Coast onshore and bay areas of Texas and Louisiana, USA, and Yemen.