

17th April 2015**Block 7, Yemen: Petsec Energy Increases Interest to 63.75%
Oil Search (ROY) Limited Acquisition Agreement Signed***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy is pleased to advise it has executed an agreement with Oil Search Limited (ASX: OSH) to acquire all the shares of its subsidiary Oil Search (ROY) Limited which holds a 34% participating interest in Block 7, Al Barqa Permit, in the Republic of Yemen, and is the designated operator of the Block.

The Oil Search agreement follows the agreements executed in 2014 with AWE Limited (21.25%) and Mitsui E&P Middle East B.V (8.5%) to acquire their respective Participating Interests in Block 7. The acquisition of Oil Search (ROY) Limited (“OSROY”) increases Petsec’s overall Participating Interest in Block 7 to 63.75%, and Petsec will assume operatorship of the Block.

Completion of the transaction is subject to customary approvals from the Government of Yemen, the Ministry of Oil and Minerals.

Block 7 is an onshore exploration permit covering an area of 5,000 square kilometres (1,235,527 acres) located approximately 340km east of Sana’a, the capital of Yemen. The block contains the Al Meashar oil discovery as well as an inventory of leads and prospects defined by 2D and 3D seismic surveys with significant oil potential.

Petsec Energy’s Chairman, Terry Fern, commented on the Agreement:

“The acquisition of OSROY and the assumption of the operatorship of Block 7, Yemen is an important strategic milestone towards the Company’s objective of building a significant presence in the Middle East and North African (“MENA”) region. The enlarged interest will provide a meaningful exposure to high value oil assets within a region that is highly prospective for oil. Block 7 has the potential to add significant oil reserves to the Company’s resource base and significant value to the Company’s shareholders. The Company looks forward to the early appraisal of the Al Meashar oil discovery and exploration of the remainder of the Block. Petsec hopes to build upon this investment in the Republic of Yemen by seeking further reserve development acquisitions in the MENA region.”

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