

5 May 2015

**Petsec Energy Announces Drilling at Mystic Bayou Field  
Exploration Prospect – Onshore Louisiana, USA***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy (the “Company”) is pleased to advise that drilling commenced on 4 May 2015 on the 16,700’ RA SUA; Williams #2 alternate well. The well is being drilled on the Mystic Bayou exploitation prospect, located in St. Martin Parish, Louisiana. The prospect is located approximately 40 miles southeast of the city of Lafayette, Louisiana. White Oak Operating Co. L.L.C. is designated as operator of the well.

The well is being drilled directionally to a true vertical depth (“TVD”) of 17,035 feet (17,441 feet measured depth “MD”) to test the oil and gas potential in Lower Miocene age Planulina sand reservoirs in a fault closure up-dip from production in the Planulina interval in Mystic Bayou Field. The well will be drilled as an alternate unit well in the same unit and up-dip to the Williams #1 well (cumulative production: 17.8 BCFG, 1.5 MMBO, and 7.5 MMBW). The well requires the use of a barge drilling rig and is expected to take approximately 53 days to drill and log.

Petsec has a 25% non-operating working interest (18.75% net revenue interest) in the well. The Company’s share of drilling costs is estimated to be US\$1,600,000. Completion and hook-up of the well is estimated to cost an additional US\$850,000 net to Petsec.

The Williams #2 Alternate is being drilled as part of a multi-well exploration programme which marks the Company’s return to conventional exploration focussed on the onshore Gulf Coast of Texas and Louisiana.

**Participating working interests in the well are:**

Petsec Exploration and Production L.L.C.	25%
White Oak Operating Co. L.L.C. (Operator)	75%

**Details of the well:**

Well name:	16,700’ RA SUA, Williams #2 Alternate
Type of well:	Exploitation
Location of well:	St. Martin Parish, Louisiana
Final TD:	17,035 feet TVD (17,441 feet MD)
Estimated days to TD	53 days
Operator:	White Oak Operating Co. L.L.C.
Petsec working interest:	25%
Petsec net revenue interest:	18.75%
Estimated net risk cost	US\$1,600,000
Estimated net completion cost	US\$850,000

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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.*