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18 September 2015**Petsec Energy Announces Drilling at the Saint Johns Bayou
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 16 September 2015 on the Levert – St. John Farms, Inc. No. 1 well. The well is being drilled on the St. John Bayou exploration prospect located in St. Martin Parish, Louisiana and is located approximately 12 miles southeast of the city of Lafayette, Louisiana. Petsec Energy will operate the well.

The well is being drilled as a directional well to 14,175 feet Measured Depth (“MD”)/12,950 feet True Vertical Depth (“TVD”) to test Oligocene age Fuselier, Foti, Marg Howei, Camerina and Marg Tex sand reservoirs in a fault closure syncline separated from production in the Northeast flank of St. Martinville salt dome. The well is expected to take approximately 45 days to drill and evaluate.

Petsec has a 17.5% working interest in the well before pay-out (“BPO”) with a 12.6% net revenue interest. After pay-out (“APO”) of the well Petsec will have a 14.22% WI and 10.24% net revenue interest in the well. The Company’s share of up-front exploration and drilling costs for the well are estimated to be US\$770,000. Completion and hook-up are estimated to be an additional US\$400,000 net to Petsec.

Participating working interests in the well are:

Petsec Exploration and Production L.L.C. (Operator)	17.5%
Private Company	50.0%
PetroGulf III, L.L.C.	20.0%
M5 Gulf Coast L.L.C.	12.5%

Details of the well:

Well name:	Levert – St. John Farms No.1
Type of well:	Exploration
Location of well:	St. Martin Parish, Louisiana
Estimated days to drill:	Approximately 45 days
Final TD:	14,175 feet MD/12,950 feet TVD
Operator:	Petsec Exploration and Production L.L.C.
Petsec working interest:	17.5% BPO/14.22% APO
Petsec net revenue interest:	12.6% BPO/10.24% APO
Estimated net exploration cost:	US\$770,000
Estimated net completion & facilities cost:	US\$400,000

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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.