

11th May 2016**Petsec Energy Announces Award of Main Pass Block 274
On the Hummer Project
Central Gulf of Mexico Lease Sale 241***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy (the “Company”) is pleased to advise that the Main Pass Block 274 lease has been awarded to Castex Offshore, Inc. (“Castex”), the operator of the Hummer Project. The block falls within an Area of Mutual Interest (AMI) for the Hummer Project participants, and as a result the Company has the right to participate for its 12.5% working interest (“W.I.”) in the lease.

Main Pass Block 274 was previously leased by Petsec in March 2010 as part of the Hummer Exploration Prospect, which was identified on 3D seismic as extending across portions of Main Pass Blocks 270, 273 and 274. The Main Pass Block 270 #3 Hummer discovery well (Petsec 12.5% W.I.) was drilled in late 2015 and is currently under development with the construction of a production jacket.

Petsec and the other Hummer participants have maintained leases on Main Pass Blocks 270 and 273 as a result of the drilling, however the five year lease term on Block 274 expired in mid-year 2015 prior to drilling and logging of the discovery well. Main Pass Block 274 was subsequently re-offered by the Bureau of Ocean Energy Management (BOEM) in the Central Gulf of Mexico Lease Sale 241 held on 23rd March 2016. Castex was the high bidder with a gross bid of US\$675,576. The Company’s net share is US\$84,447. There was one other competitive bid on the block and, after review by the BOEM, our bid was accepted on 5th May 2016.

Details of the lease are as follows:

Petsec Energy Inc. W.I.	12.5%
Other Private Companies W.I.	87.5%
Successful High Bid (gross)	US\$675,576
Petsec Net Share	US\$84,447
Operator	Castex Offshore, Inc.

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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. The Company also has operations onshore in the Republic of Yemen.