

6th August 2020**Petsec Energy Enters into Purchase and Sale Agreement
for the sale of all of its U.S. Oil and Gas Interests***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy Ltd (the “Company”) is pleased to advise that it has entered into a Purchase and Sale Agreement (“Agreement”) for the sale of all of the Company’s U.S. oil and gas interests to a privately held U.S. exploration and production company based in Houston (the “Purchaser”).

The Agreement comprises the sale of the Company’s interests in the Hummer, Mystic Bayou and Jeanerette Fields for a nominal amount plus assumption of plug and abandonment obligations, and forms part of the Company’s strategic plan announced in April 2020 to windup and close its U.S. business. The transaction has an effective date of 1 July 2020 and is expected to close on or before 31 August 2020.

Sale Assets

The assets that will be sold pursuant to the transaction are:

- All of the Company’s production and exploration rights on the Hummer Field – Main Pass Block 270 and Main Pass Block 273
- All of the Company’s production and exploration rights on the Mystic Bayou Field
- All of the Company’s production and exploration rights on the Jeanerette Field

Executive Chairman, Terrence Fern, commented:

“The sale of the U.S. oil and gas assets sadly brings an end to a long chapter in the operational history of Petsec in the USA, where the Company has enjoyed much past success and achievements.

The low oil and natural gas price environment coupled with the demand on capital for reinvestment in the U.S. oil and gas assets requires that the Company focus all its efforts on the monetisation of its significant assets in Yemen – the Damis (Block S-1) Production Licence and Al Barqa, Block 7 Exploration Permit, in which the Company holds 100% and 75% participating interests, respectively. The primary focus going forward will be to continue to engage with potential joint venture partners and secure access to government owned facilities to restart production at Block S-1”.

For further information, please contact:

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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.