

10th May 2018**Petsec Energy Hummer Gas/Oil Field, Main Pass Blocks 270/273/274
Hummer B-2 Appraisal/Development Well***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy (the “Company”) is pleased to provide a slide pack providing additional detail on the proposed Main Pass B-2 Appraisal/Development Well on the Hummer Gas/Oil Field, Main Pass Blocks 270/273/274 Offshore Louisiana Federal Waters, USA.

For further information, please contact:

Mr. Paul Gahdmar
Company Secretary &
Group Financial Controller
Petsec Energy Ltd
Level 27, Governor Macquarie Tower
One Farrer Place
Sydney NSW 2000
Tel: (612) 9247 4605 Fax: (612) 9251 2410

Mr. Manny Anton
Head of Investor Relations &
Corporate Development
Petsec Energy Ltd
Level 27, Governor Macquarie Tower
One Farrer Place
Sydney NSW 2000
Tel: (612) 9247-4605 Fax: (612) 9251 2410

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.

Petsec Energy Ltd

Hummer Gas/Oil Field

Main Pass Blocks 270/273/274

Hummer B-2 Appraisal/Development Well

May 2018



Forward Looking Statement Disclaimer

This presentation contains predictions, estimates and other forward looking statements that are subject to risk factors associated with the oil and gas industry. Although the company believes that the expectations reflected in these statements are reasonable, it can give no assurance that its expectations and goals will be achieved. Important factors that could cause actual results to differ materially from those included in the forward looking statements include, but are not limited to, commodity prices for oil and gas, currency fluctuations, the need to develop and replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development, uncertainties about reserve estimates, competition, loss of market, government regulation, economic and financial conditions in various countries, political risks, project delay or advancement, and approvals and cost estimates.

All references to dollars in this presentation are to US currency, unless otherwise stated.

To the maximum extent permitted by law, the company and its personnel:

- ❖ disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- ❖ do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this presentation, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement; and
- ❖ disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

Nothing contained in this presentation constitutes investment, legal, tax or other advice. The Information does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of this presentation should make its own assessment and take independent professional advice in relation to the information and any action taken on the basis of this presentation.

The reserves assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The USA and Yemen reserve estimates provided within this presentation are based on information contained within the announcements to the ASX on 22 February 2018 and the 2017 Annual Report.

The Company confirms that it is not aware of any new information or data that materially affects the information included within the above releases, and that all the material assumptions and technical parameters underpinning the estimates therein continue to apply and have not materially changed.

Net 2P oil and gas reserves at 1 January 2018 were 15.9 Bcfg + 1.137 MMbo (equivalent to 3.8 MMboe), NPV10 value of US\$34.8 million (Cawley, Gillespie & Associates)

- ❖ Petsec has operated in USA Gulf of Mexico and Louisiana since 1991.
- ❖ **Drilling success:** 109 wells / 81 successful / 74% success – net production > 216 Bcfe, US\$548MM EBITDAX.
- ❖ **Active projects:** Jeanerette, Mystic Bayou & Hummer (Main Pass Blocks 270/273/274).
- ❖ **Jeanerette:** 1 well producing intermittently (pending workover/sidetrack when natural gas prices allow)
- ❖ **Mystic Bayou:** 1 well producing, 3 further well locations; Currently producing at a gross rate of ~2.3 MMcfcpd and ~42 bcps (0.4 MMcfcpd and 8 bcps, net to Petsec).
- ❖ **Hummer production:** Discovery well commenced production in November 2017. Currently producing at a restricted rate of 18 MMcfcpd and 370 bopd gross (1.9 MMcfcpd and 39 bopd net to Petsec).
- ❖ **Hummer facilities:** A four pile production platform has been installed in 215' water depth and is tied into separate oil and gas pipelines running to the shore. The existing deck facilities are designed to be expandable to accommodate additional production wells.
- ❖ **Hummer future drilling:** A further 3 to 8 well locations to be drilled.



Hummer Gas/Oil Field – Main Pass Blocks 270, 273, 274

Discovery Nov 2015. Platform set 2016/2017. Production began Nov 2017

- ❖ Petsec holds a 12.5% W.I. in the Hummer Gas/Oil Field.
- ❖ The Main Pass Block 270 B-1 discovery well was drilled in June-December 2015 to a total depth of 4,800 metres (15,748') TVD to test a single reservoir with a pre-drill mapped target potential of 183 Bcf gas + 3.7 MMb oil.
- ❖ The well penetrated five Middle Miocene age oil & gas pay zones, one of which (the initial objective reservoir) was completed for production. Production in this reservoir commenced 21 November 2017, and is currently producing 18 MMcfcpd and 370 bopd.
- ❖ The Hummer Field structure extends over a strike of five miles within the Main Pass Block 270,273,274 leases which cover 15,000 acres, in some 200 feet of water.
- ❖ Potentially additional 3 to 8 wells required to develop the field.
- ❖ Appraisal and development drilling to commence in mid 2018.



Main Pass Block 270 "B" Production Platform

Hummer Gas/Oil Field, Main Pass Blocks 270/273/274

B-2 Appraisal/Development Well - Spud Date mid-July 2018

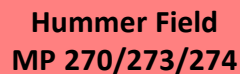
- ❖ The B-2 appraisal/development well will be drilled from the Main Pass Block 270 “B” Production Platform, with a planned bottom hole location some 6,000 feet to the East of the B-1 discovery well. This is the first of potentially 3 to 8 appraisal/development wells required to develop the field.
- ❖ The well is designed to test, at an optimum structural position, six potential oil and gas reservoirs, these being the five oil and gas reservoirs intersected in the B-1 well and a deeper horizon not tested by the B-1 well, but productive in the area.
- ❖ The primary objectives of the B-2 well are two sand reservoirs with proven oil and gas reserves determined from the B-1 well (Cawley, Gillespie & Associates, independent reserve engineers), one of which is categorised as Proved Developed Producing (PDP) the other Proved Undeveloped (PUD). These reservoirs are productive in similar nearby fields (Main Pass 280/283 Field Complex), 14 miles to the East of Main Pass 274, having produced greater than 27 MMbbl oil and 60 Bcf gas.
- ❖ The B-2 well is planned to drill to a measured depth (MD) of 18,559 feet with a true vertical depth (TVD) of 16,624 feet. The well is anticipated to take approximately 80 days to drill and reach total depth, with an expected spud date in mid-July 2018. Completion of the well for production is estimated at two weeks and production is anticipated within 4 to 6 weeks of well completion. Production is estimated to begin in mid-December 2018. Individual wells from analogue fields have had peak production rates which exceed 25 MMcf/gpd and 1000 bopd.
- ❖ The estimated net cost to the Company to drill the well is approximately US\$2.6 million, and US\$1 million for well completion and production facilities.
- ❖ The Company has US\$5 million in Tranche 3 of its Convertible Note Facility with which to fund the well.

- ❖ The B-2 Well is anticipated to spud in mid-July 2018.

- ❖ First production is anticipated in late 2018.

[illegible]

Cumulative Production: > 27 MMbbl oil + 60 Bcf gas

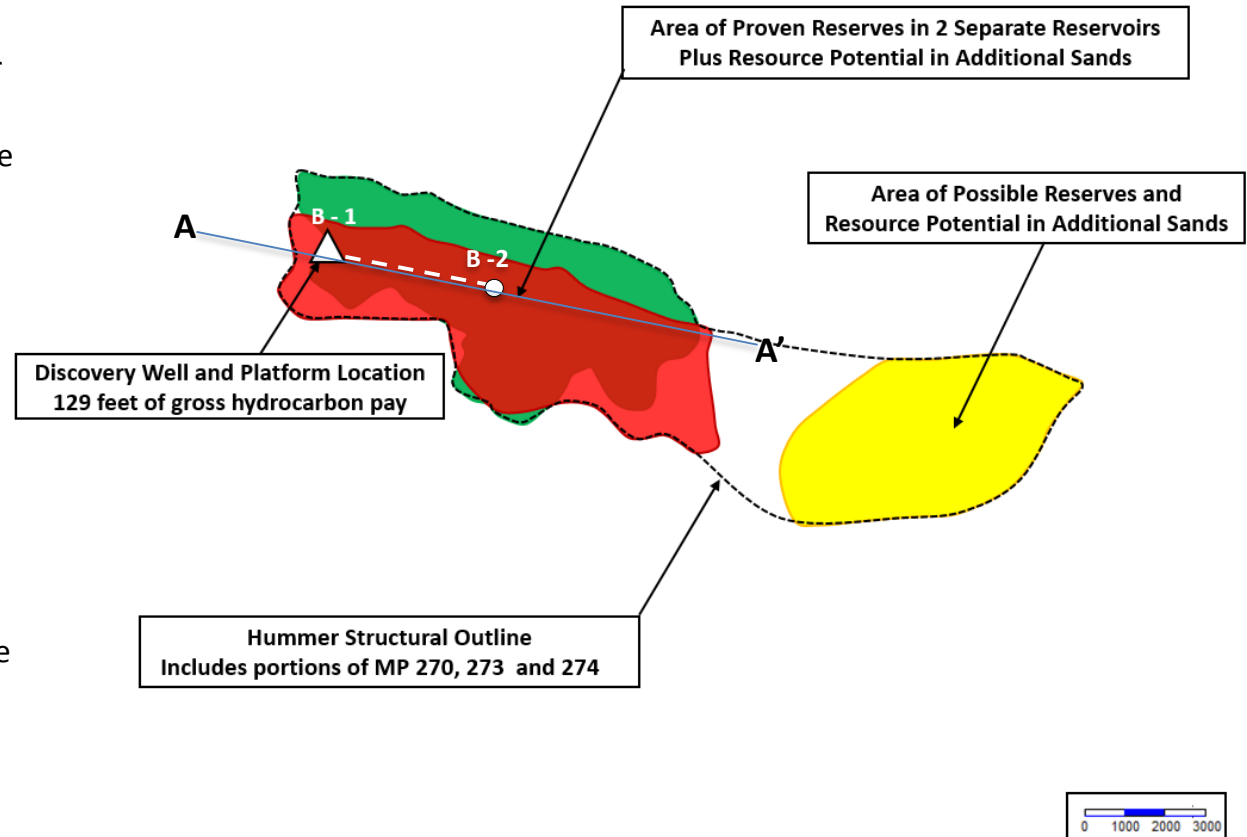


MP 280/283 Field Complex
MP 279/280/281/283, VK 734

Hummer Gas/Oil Field – Main Pass Blocks 270, 273, 274

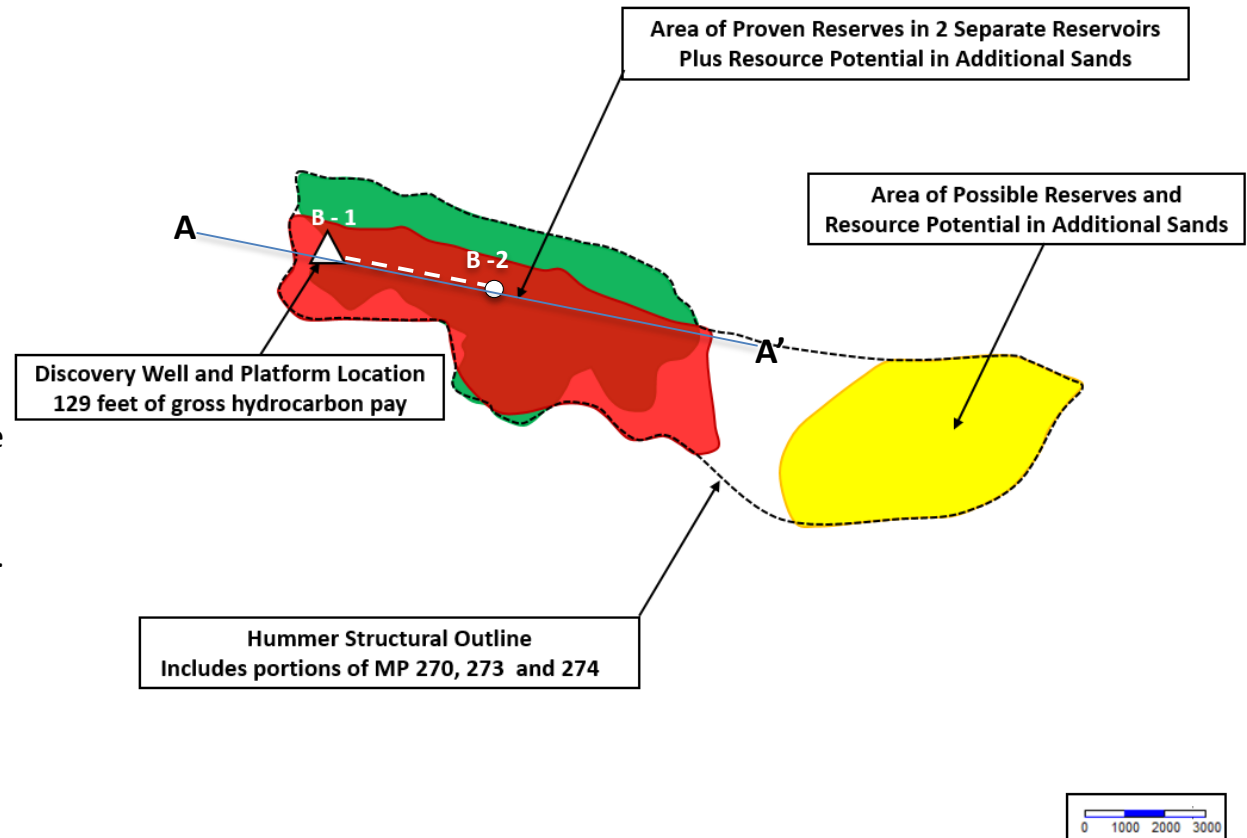
Structure Map – Proven and Prospective Areas

- ❖ Hummer Gas/Oil Field Structure extends over a strike of five miles within the Main Pass Block 270,273,274 leases which cover 15,000 acres, in some 200 feet of water.
- ❖ The B-1 exploration well was a straight hole drilled to a true vertical depth (TVD) of 15,748' in the North West corner of the Hummer Field geologic structure, in Main Pass Block 270 to test a single reservoir with a pre-drill mapped target potential of 183 Bcf gas + 3.7 MMbbl oil.
- ❖ The well penetrated five oil & gas reservoirs, including the primary objective reservoir which was completed for production (red area), and is currently producing 18 MMcfcpd and 370 bopd.
- ❖ The B-2 appraisal/development well will be drilled from the Main Pass Block 270 "B" Production Platform, with a planned bottom hole location some 6,000' to the East of the B-1 discovery well (identified with a dashed white line). This is the first of potentially 3 to 8 appraisal/development wells required to develop the field.



Hummer Gas/Oil Field – Main Pass Blocks 270, 273, 274 Structure Map – Proven and Prospective Areas

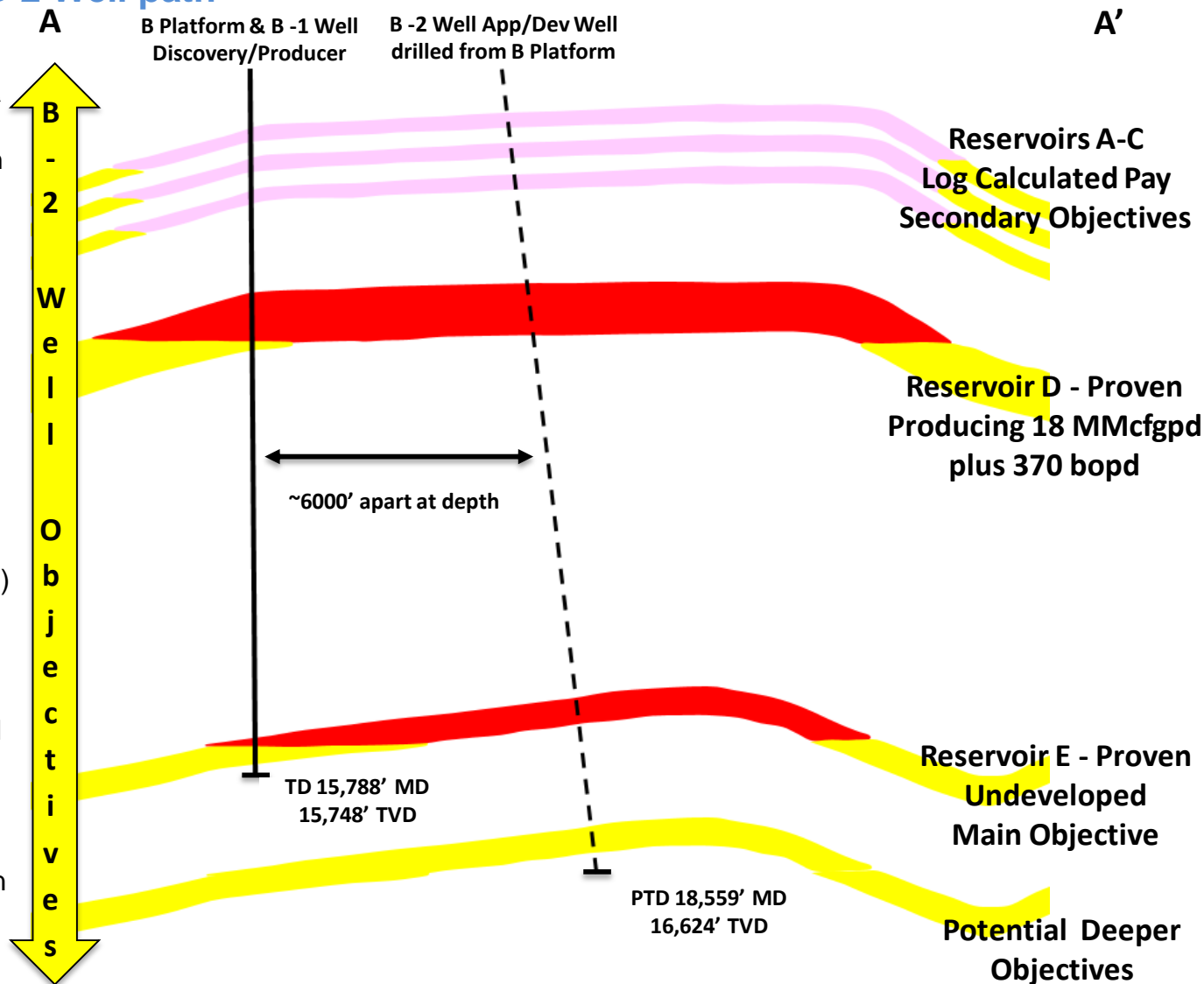
- ❖ The well is designed to test, at an optimum structural position, six potential oil and gas reservoirs, these being the five oil and gas reservoirs intersected in the B-1 well and a deeper horizon not tested by the B-1 well, but productive in the area.
- ❖ The primary objectives of the B-2 well are two sand reservoirs shown in the red (currently producing) and green areas, with proven oil and gas reserves determined from the B-1 well (Cawley, Gillespie & Associates, independent reserve engineers). The red area is categorised as Proved Developed Producing (PDP), and the green area, Proved Undeveloped (PUD). These reservoirs are also productive in similar nearby fields (Main Pass 280/283 Field Complex), having produced in excess of 27 MMbbl oil and 60 Bcf gas.
- ❖ The Hummer Field structure continues to the East beyond the red and green area into Main Pass Block 274 where identified Possible reserves in equivalent reservoirs require appraisal.
- ❖ The A – A' line follows the B-2 well path and identifies the cross section shown in the next slides.



Hummer Gas/Oil Field: B-1 Discovery Well, B-2 Development Well

Cross-Section: A –A' along B-2 Well path

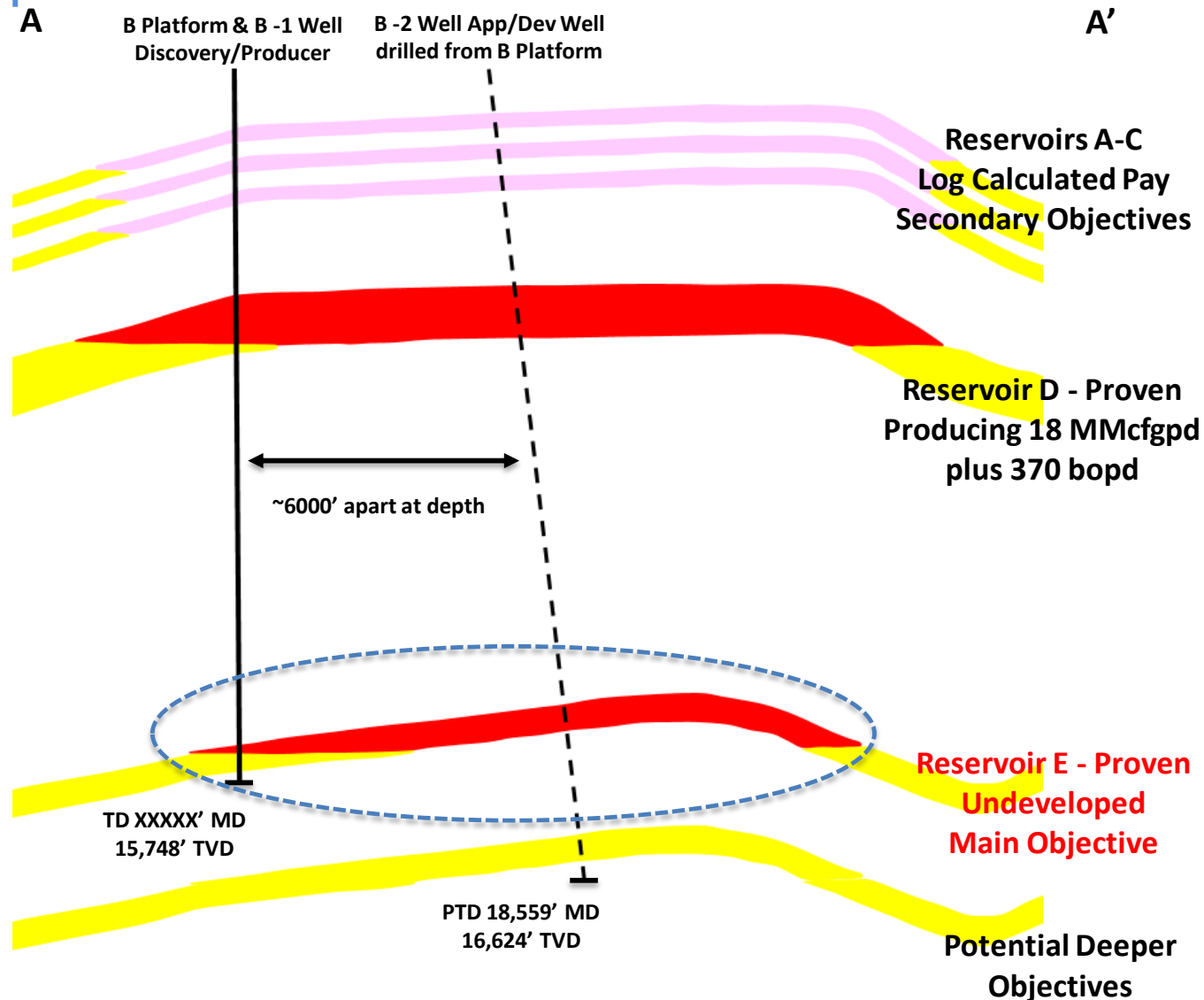
- ❖ The initial exploratory well (B-1) was a straight hole and did not test all of the Middle Miocene objective reservoirs in optimum structural positions.
- ❖ The main objective of the B-1 well (Reservoir D) was tested at high rates and is currently producing.
- ❖ A second, deeper sand (Reservoir E) was also proven in the B-1 well and is the main objective of the B-2 development well.
- ❖ Cawley, Gillespie & Associates has classified the deeper reservoir as containing Proved Undeveloped (PUD) reserves.
- ❖ Significant upside potential exists in additional reservoirs that have hydrocarbon shows and log calculated pay (Reservoirs A-C) but were not production tested in the initial well.
- ❖ The B-2 well is also planned to test potential deeper objectives not seen in the B-1 discovery.



Hummer Gas/Oil Field: Primary Objective

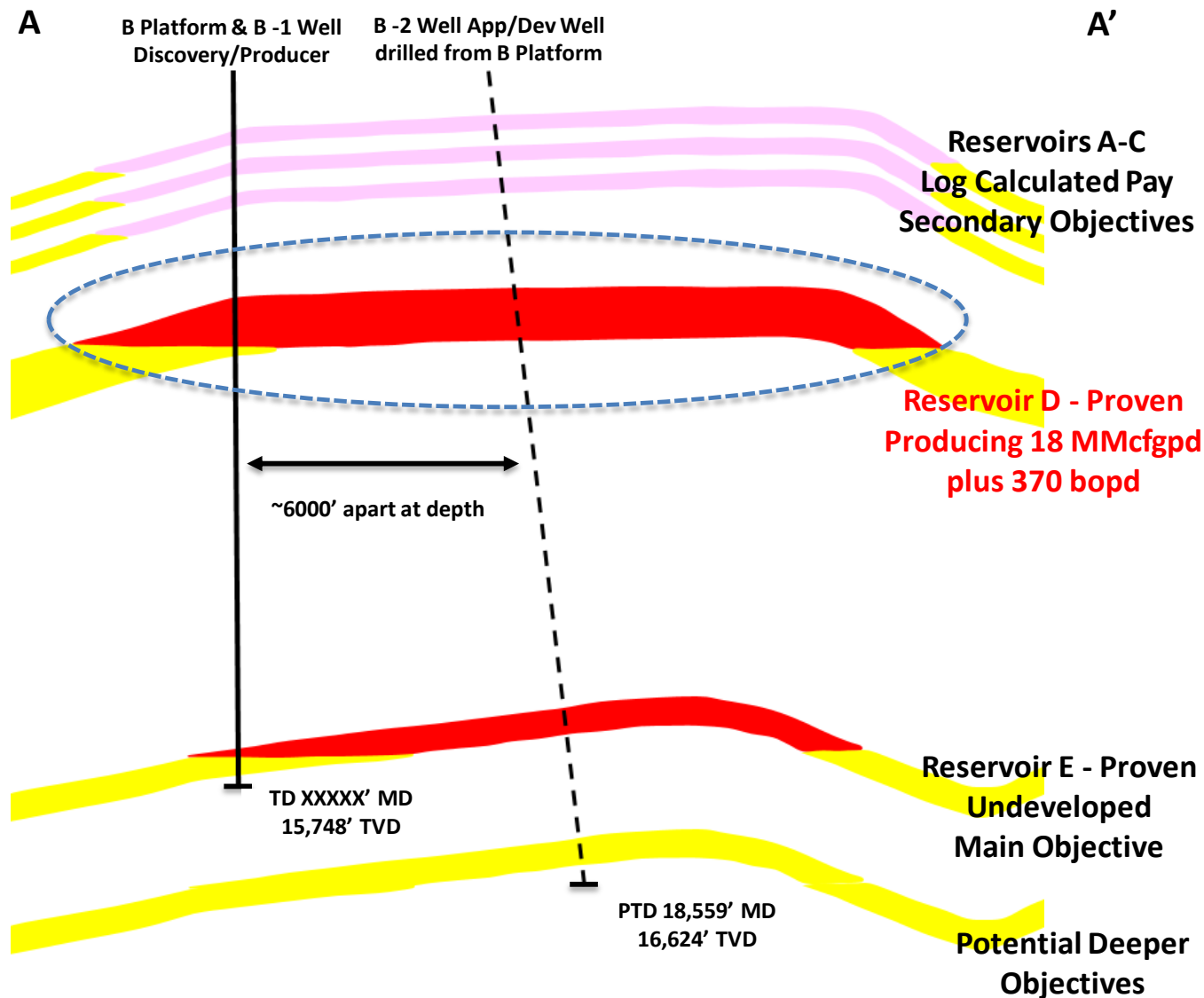
Reservoir E - Proved Undeveloped Reserves

- ❖ Reservoir E is the main objective of the B – 2 well.
- ❖ Near total depth of the initial B-1 well, a hydrocarbon pay zone was encountered in Reservoir E.
- ❖ Reservoir E was encountered on the edge of the structural closure at that level in a position that was not favorable for long term production.
- ❖ It was decided not to produce the reservoir from that well but instead to drill a new well to produce the reserves.
- ❖ A hydrocarbon sample was not taken in the B -1 well, however the nearest field that produces from this interval is predominantly an oil producer (Main Pass 280/283)
- ❖ Cawley, Gillespie & Associates has classified the reservoir as containing Proved Undeveloped (PUD) reserves.



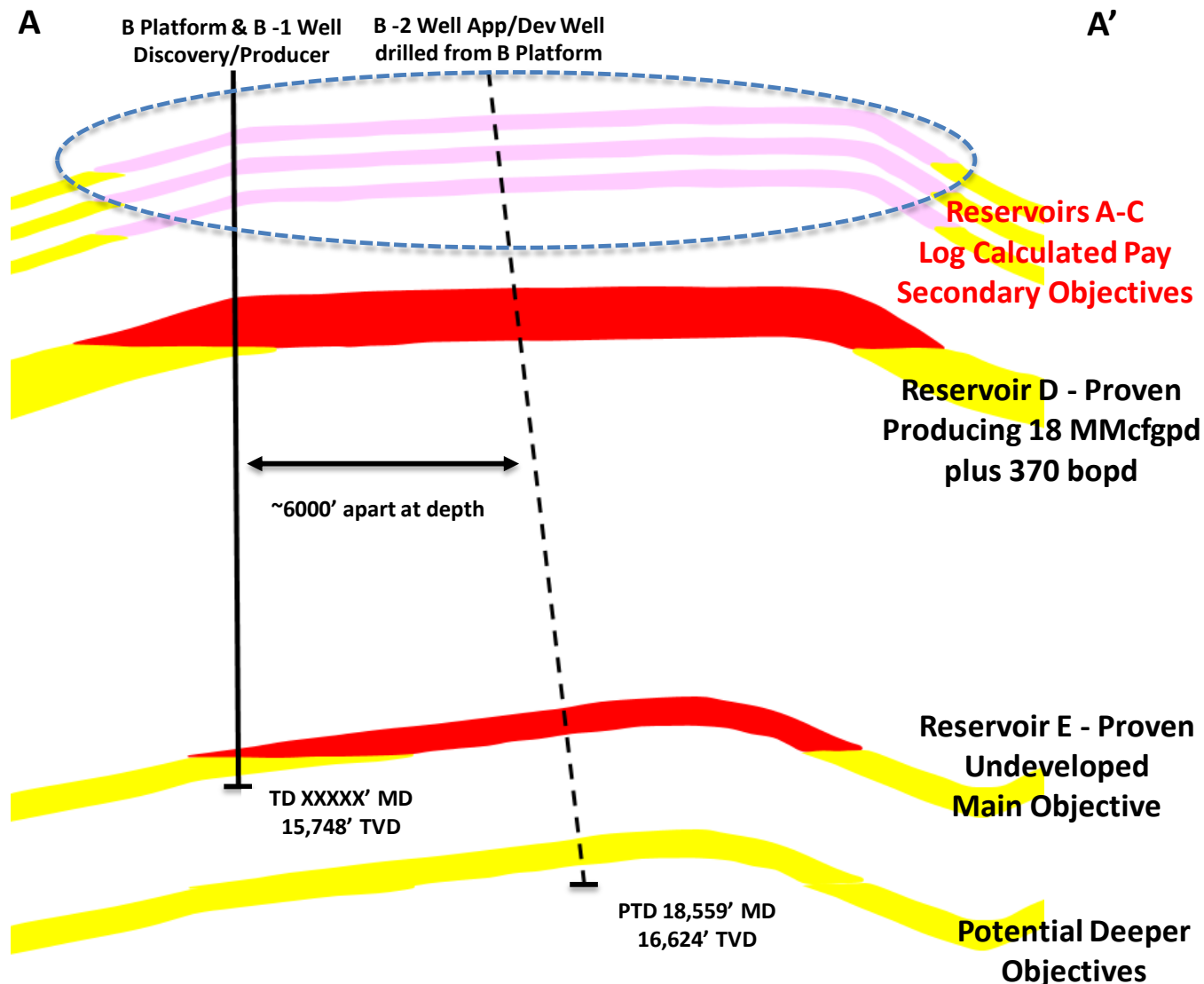
Hummer Gas/Oil Field: Future Take Point - Reservoir D – Proven Reserves

- ❖ Reservoir D is currently producing 18 MMcfcpd + 370 bopd in the B-1 well.
- ❖ The B-2 well is planned to encounter the reservoir approximately 6,000' East of the B-1 well.
- ❖ The well's penetration point at reservoir level fits within the area of Proven reserves as defined by Cawley, Gillespie & Associates.
- ❖ The B-2 wellbore can be used as an additional take point in the reservoir at a later date, after deeper zones in the well are depleted.



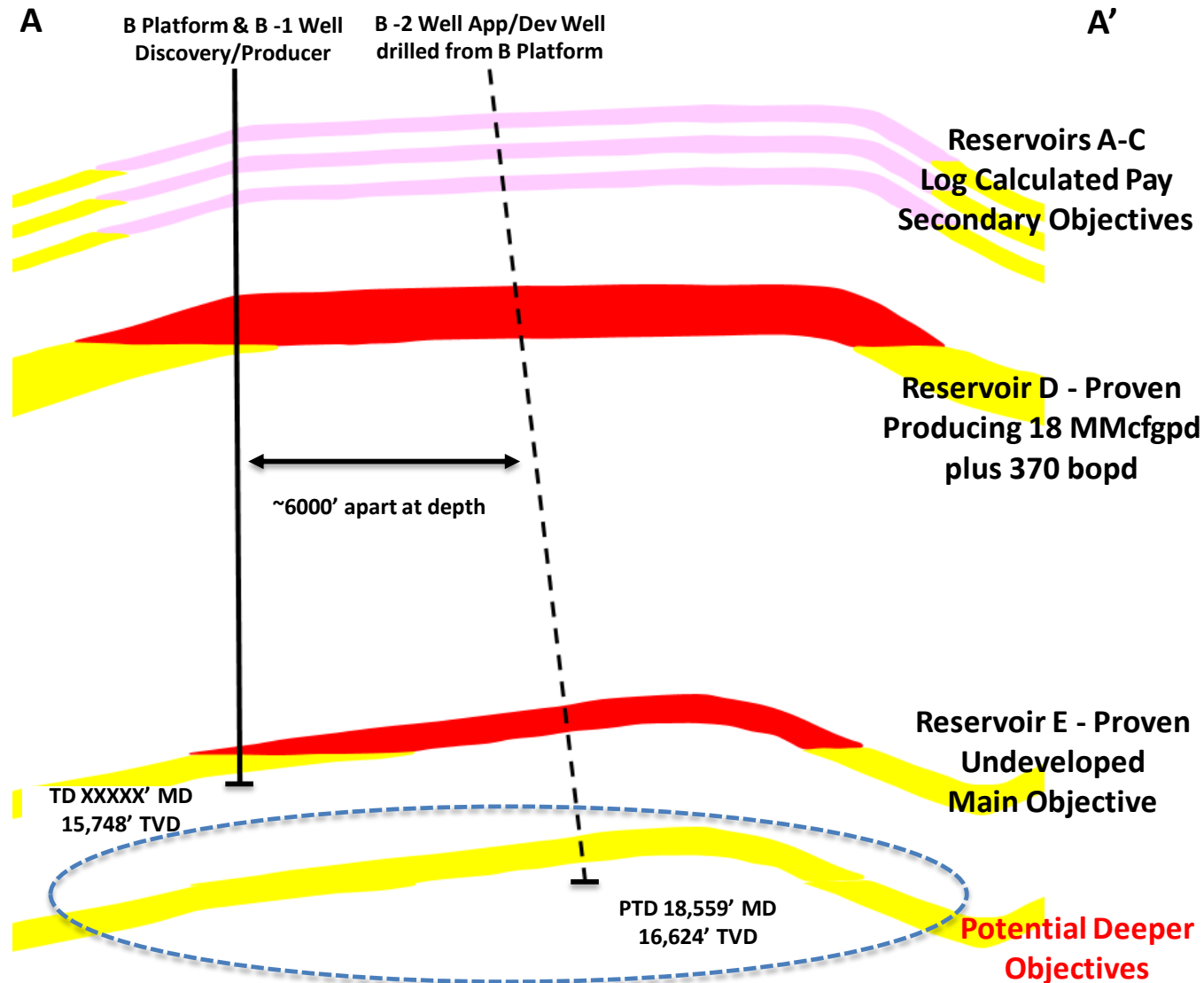
Hummer Gas/Oil Field: B-2 well: Secondary Objectives – Reservoirs A, B & C

- ❖ Reservoirs A, B & C represent several sand intervals encountered in the B-1 well that had strong oil and gas shows in the mud logs and calculated as pay on logging while drilling (LWD) tools.
- ❖ The zones were not tested in the B-1 well but similar sands are productive in nearby wells.
- ❖ The B-2 well is planned to encounter these reservoirs in a structurally advantageous position for potential future production.
- ❖ Cawley, Gillespie & Associates has not been requested to estimate reserves or classify these reservoirs.



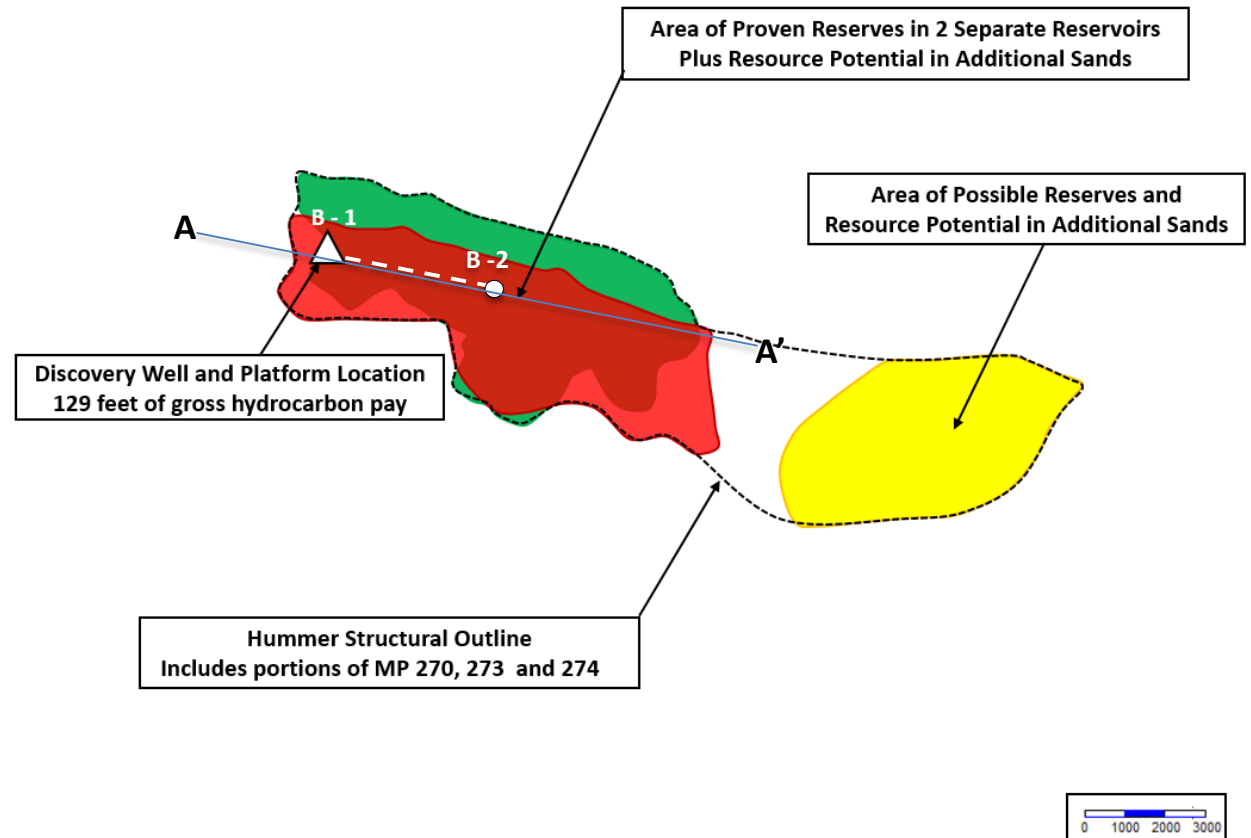
Hummer Gas/Oil Field: Exploration Objectives in Deeper Zones

- ❖ The initial well (B-1) was drilled through Reservoir E and reached total depth.
- ❖ Some offset wells in the greater Hummer area have indicated the potential for additional deeper sands to be present.
- ❖ The B-2 well is planned to drill ~1,000' deeper in order to explore for untested sands on the large Hummer structure.
- ❖ If successful, the deeper reservoirs could be produced from the B-2 well.
- ❖ Cawley, Gillespie & Associates has not been requested to estimate reserves for these potential reservoirs.



Hummer Gas/Oil Field: Main Pass Block 274 – Possible & Prospective Reserves

- ❖ The prospective area highlighted in yellow is situated on the large structural feature that holds the Hummer Field. The area is separated from the Proven reserves in the main Hummer Field by a shallow syncline and minor faulting.
- ❖ Within the area, Possible reserves and resource potential will be targeted.
- ❖ Cawley, Gillespie & Associates allocated Possible reserves in Reservoirs D & E, which had been identified as Proven in the B-1 well on the main Hummer structure.
- ❖ Potential reserves will be tested in other Middle Miocene sands identified in the B-1 and B-2 wells.
- ❖ The area is estimated to contain Possible reserves plus an unquantified volume of resource potential in other sands.
- ❖ The area will require testing with a future well.



Hummer Gas/Oil Field: Main Pass 270/273/274

- ❖ The B-2 well is designed to test, at an optimum structural position, six potential oil and gas reservoirs, these being the five oil and gas reservoirs intersected in the B-1 well and a deeper horizon not tested by the B-1 well, but productive in the area.
- ❖ The primary objective of the B-2 well are two sand reservoirs with proven oil and gas reserves determined from the B-1 well (Cawley, Gillespie & Associates, independent reserve engineers). The upper reservoir (Reservoir D – red area in Structure Map) is categorised as Proved Developed Producing (PDP), and the lower reservoir (Reservoir E – green area of the Structure Map) Proved Undeveloped (PUD). These reservoirs are productive in similar nearby fields (Main Pass 280/283 Field Complex), 14 miles to the East of Main Pass Block 274, having produced greater than 27 MMbo and 60 Bcf of gas.
- ❖ The primary objective Reservoir E, (green area in the Structure Map) is predominantly an oil producer in the analogue field.
- ❖ Facilities are in place on the Main Pass Block 270 “B” Production Platform to quickly hook-up the B-2 well and flow oil and gas to nearby pipelines. First production from the B-2 well is anticipated by year-end 2018.

Petsec Energy Ltd

Hummer Gas/Oil Field

Main Pass Blocks 270/273/274

Hummer B-2 Appraisal/Development Well

May 2018

