

7 March 2013

Marathon Field – Fourth Well on Production*Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy is pleased to advise that the Louisiana State Lease No. 20369 No. 2 well in the Marathon gas/condensate field was brought into production on 3 March 2013. The fourth development well for the Marathon field, located in the shallow waters of the Atchafalaya Bay, Gulf Coast, USA, was spud on 22 October 2012 and reached total depth of 18,650 feet (5,686 metres) in early January 2013.

Combined gross production rates from all four wells in the Marathon field are currently in excess of 120 MMcf of gas per day and 300 barrels of oil per day. Petsec Energy holds an 8% net working interest in the field (5.84% net revenue interest). The field is a significant contributor to the reserves, production, and EBITDAX of the Company.

As previously advised, a substantial expansion of facilities was commenced during 2012 to increase production capacity from the Marathon field. Further expansion of production facilities is underway, and a fifth well is planned.

Petsec Energy's Chairman, Terry Fern, commented on the Marathon field:

"The Marathon gas/condensate field is a substantial gas/condensate discovery that has greatly exceeded the Company's expectations. The field holds sizeable reserve, is high pressured and is expected to have a long productive life".

Participating working interests in the well are:

Petsec Energy Ltd	8.00%
Apache Corporation	48.75%
Private Companies	43.25%

Details of the well:

Well name:	State Lease 20369 No. 2 well
Water depth:	8 feet (2.4 metres)
Total depth:	18,650 feet (5,686 metres)
Operator:	Private company
Petsec working interest:	8.00%
Petsec net revenue interest:	5.84 %

For further information, please contact:

Mr. Paul Gahdmar
Company Secretary & Group Financial Controller
Petsec Energy Ltd
Level 13, 1 Alfred Street
Sydney NSW 2000
Tel: 612 9247 4605 Fax: 612 9251 2410

Mr. Ross A. Keogh
President & Group Chief Financial Officer
Petsec Energy Inc.
1000 Louisiana, Suite 5550
Houston, Texas 77002, USA
Tel: (713) 457-5800 Fax: (713) 457-5838

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 Louisiana Gulf Coast region of the USA, and exploration activities in Shale Oil projects in Canada and the USA.