

30th March 2017**Petsec Energy Provides Update on Hummer Gas/Oil Field Development
Offshore Louisiana Federal Waters, U.S.A.***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy (the “Company”) is pleased to provide an update on the development of the Hummer Gas/Oil Field, which extends over Main Pass Blocks 270, 273 and 274, in the Gulf of Mexico, offshore Louisiana, U.S.A.

A turnkey contract was awarded in January 2017 for the design, engineering, modification, and fabrication of production facilities, and installation of the platform deck onto the already installed jacket for the Hummer Main Pass Block 270 “B” production platform and for the planning, installation and hook-up of the pipelines connecting the platform to gas and oil sales pipelines. The platform deck modifications and construction are progressing satisfactorily at an onshore facility near Morgan City, Louisiana.

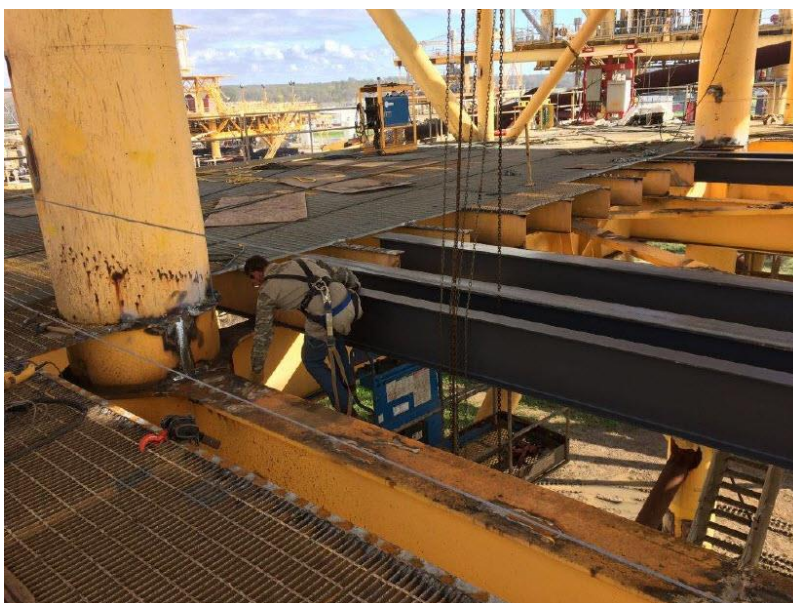
The initial design capacity of the facilities will be 50 million cubic feet of gas per day (MMcfd) plus 1000 barrels of oil per day (bopd) to accommodate the discovery well, Main Pass 270 # 3 BP 1. The facility design allows for production capacity to be expanded to accommodate increased production from additional wells drilled from the “B” platform and proposed proximal well head platforms.

A four pile deck has been acquired and is currently being modified to accommodate the extent of the designed facilities and future expansion (see below photograph). Design of the production facilities has been completed and purchase orders for long lead time equipment have been executed. Planning and preparations for permitting the pipelines connecting the platform to nearby existing oil and gas sales lines are also underway.

First production is expected in late third quarter 2017.

As previously reported, the Hummer Project discovery well, Main Pass 270 #3 BP 1, is located in U.S. federal waters approximately 50 miles southeast of Venice, Louisiana. The water depth at the location is approximately 215 feet. The well was drilled, logged and temporarily suspended during mid-late 2015. A platform jacket was installed over the well, and the well was completed and tested in late 2016. The well was tested over a 48 hour period. Test rates recorded over the last three hours of the test period averaged 19.88 MMcfd and 396 bopd on a 16/64th inch choke with a flowing well head pressure of 9753 psi. The rates continued to increase over the final flow period. The well has been suspended pending installation of the deck, production facilities and pipelines.

Petsec will provide additional updates as significant milestones are reached.



*Main Pass 270/273/274 Hummer Project: Cellar deck structural modifications –
Main Pass Block 270 “B” production platform*

Participating working interests in the well are:

Petsec Energy Inc.	12.5% (10.24% Net Revenue Interest)
Other Private Companies	87.5%

Details of the well:

Well Name:	OCS-G-22812 #3 BP 1
Type of Well	Exploration/ Pending Producer
Location of Well:	Offshore Louisiana, Federal Waters
By-pass TD:	14,342 feet MD/14,300 feet TVD
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.

Forward Looking Statement Disclaimer

This press release 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, the need to redevelop or replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development operations, uncertainties associated with reserve estimates, market interruptions, changes in government regulation, changes in economic and financial conditions, political risks, project delays or advancement, and approvals and cost estimates.

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