

12<sup>th</sup> December 2016

## Petsec Energy Releases Preliminary Development Schedule for Hummer Project, Offshore Louisiana Federal Waters, USA

*Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy (the “Company”) is pleased to release the preliminary development schedule for the Company’s Hummer Project at Main Pass Blocks 270/273/274 in which it holds a 12.5% working interest. This follows the successful production test of the Company’s Main Pass Block 270 # 3 BP 01, Hummer discovery well, conducted over a 48 hour flow-back period beginning 16 November 2016.

During the test, flow rates were measured at restricted rates on variable choke sizes. Over the last three hours of the 48 hour test period the well flowed at an average rate of 19.88 MMcfpd (million cubic feet of gas per day) and 396 bcpd (barrels of condensate per day) through a 16/64<sup>th</sup> inch choke with an average flowing WHP (well-head pressure) of 9753 psi (pounds per square inch) and no formation water. Production rates continued to rise over the duration of the test with a maximum gas rate of 20.5 MMcfpd recorded.

The next stage of development will use the results of the production test to design, fabricate and install a deck section with production facilities on the jacket, lay gas and oil flow lines and connect them to existing oil and gas sales pipeline transportation systems. The Company estimates first production from the Hummer project to commence mid-year 2017.

Petsec will continue to update the market on completion of key milestones in the development of the project.

### Hummer Project - Main Pass 270/273/274

2016 - 2018 Programme - Preliminary Timing Hummer Development

Activity	2016		2017				2018			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Testing/facilities</b>										
Fabrication and installation of platform jacket	Complete									
Tie-back, completion and production test of Main Pass #3 well		Complete								
Topsides - design, fabricate, install and hook-up										
Pipelines - install one gas and one oil pipeline										
<b>Drilling</b>										
Additional delineation/development wells							???			
<b>First Commercial Oil and Gas Production</b>										

The Main Pass Block 270 # 3 BP 01 well was perforated from 14,100 feet to 14,186 feet measured depth (MD), 14,058 feet to 14,144 feet true vertical depth (TVD) in a sand reservoir. Well logs indicate additional potential reservoirs in the well, which are yet to be tested. These untested sands will be targets of future drilling on the Hummer Project. Significant production occurs for similar reservoirs along trend. Peak production rates from those intervals can exceed 25 MMcfpd and 1000 bcpd.

Petsec’s Chairman and Managing Director, Terry Fern, commented:

*“The success of the Hummer production test confirmed that the Hummer Project is a substantial oil and gas discovery with resource potential significantly exceeding the Company’s pre-drill mapped upper target estimates.*

*The Hummer development appears to be well timed as both gas and oil prices are substantially higher than at the beginning of the year. U.S. Henry Hub gas prices have moved above US\$3.60/Mcf and US WTI above US\$50/Bbl.*

*We look forward to first commercial gas and oil production from the Hummer Project in Mid-2017.*

**Participating working interests in the well are:**

Petsec Energy Inc.	12.5%
Other Private Companies	87.5%

**Details of the Hummer Development Project:**

Discovery Well Name:	OCS-G-22812 #3 BP 1
Type of Well	Exploration, Pending Production Well
Location of Well:	Offshore Louisiana, Federal Waters
Original TD:	16,041 feet MD/16,000 feet TVD
By-pass TD:	14,342 feet MD/14,300 feet TVD
Project Operator:	Castex Offshore, Inc.
Petsec Working Interest:	12.5%
Petsec Net Revenue Interest:	10.24%

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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.*

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