

28 March 2014

Yemen Oil Asset – Acquisition Agreement Signed

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

Petsec Energy is pleased to advise it has executed an agreement with a wholly owned subsidiary of AWE Limited (ASX: AWE) to acquire its 21.25% Participating Interest in the Block 7, Al Barqa Permit, in the Republic of Yemen.

Block 7 is an onshore exploration permit covering an area of 5,000 square kilometres (1,235,527 acres) located approximately 340km east of Sana'a, the capital of Yemen. The block is operated by Australia's Oil Search Limited and contains the Al Meashar oil discovery as well as an inventory of leads and prospects defined by 2D and 3D seismic surveys with significant oil potential.

The terms of the transaction include a cash consideration of US\$1 million; the replacement of AWE's existing Letter of Credit with the Arab Bank; and working capital adjustments on completion. Completion of the transaction is subject to customary approvals from the Joint Venture Partners and the state owned Yemen Oil and Gas Company.

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

"The signing of this agreement is the culmination of a number of years of strategic planning and marks the start of an expansion of Petsec's portfolio of assets into the Middle East, with the aim of securing high value assets within a region that is highly prospective for oil. Block 7 has the potential to add significant oil reserves to the company's resource base and significant value to its shareholders. We look forward to working with the operator, Oil Search, to further appraise the Al Meashar oil discovery and explore the remainder of the Block".



Figure. Block 7 location in the Republic of Yemen (source: AWE)

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On completion of the transaction the interests in Block 7 (Al Barqa) will be:

Company	Participating Interest
Petsec Energy Yemen Ltd	21.25%
Oil Search (ROY) Limited	34.00%
KUFPEC (Aden) Limited	21.25%
Mitsui E&P Middle East B.V.	8.50%
The Yemen General Corporation for Oil and Gas	15.00%

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.