Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity	
Petsec Energy Ltd	
ABN	
92 000 602 700	7

We (the entity) give ASX the following information.

*Class of *securities issued

Part 1 - All issues

1

You must complete the relevant sections (attach sheets if there is not enough space).

2 Number of *securities issued or to be issued (if known) or maximum number which may be issued

Fully paid ordinary shares

3 Principal terms of the +securities (eg, if options, exercise price and expiry if date; partly paid *securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates conversion)

Issue of shares under the company's shareholder approved Employee Share Plan. The share issue was approved by shareholders at the Company's AGM held on 23 May 2012.

The shares will be unrestricted and vest as follows:

- i) 1,000,000 shares on 1 June 2012
- ii) A further 500,000 shares on 1 January 2013
- iii) A further 500,000 shares on 1 January 2014

⁺ See chapter 19 for defined terms.

4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$0.20
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Incentive compensation for executive director
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the</i> ⁺ securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6с	Number of *securities issued without security holder approval under rule 7.1	Not applicable

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⁺ See chapter 19 for defined terms.

6d	Number of *securities issued with security holder approval under rule 7.1A	Not applicable	
6е	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of securities issued under an exception in rule 7.2	Not applicable	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	10 October 2012	
8	Number and *class of all *securities quoted on ASX (including the securities in section 2 if applicable)	Number 237,683,622	+Class Ordinary shares

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of al	11
	+securities not quoted or	n
	ASX (including the securitie	s
	in section 2 if applicable)	

Number	⁺ Class
75,000	\$1.19 Options (PSAAR)
52,500	\$0.20 Options (PSAAI)
185,000	\$0.20 Options (PSAAM)
365,000	\$0.23 Options (PSAAQ)
1,000,000	\$0.20 Options (PSAAQ)
300,000	\$0.20 Options (PSAAQ)
<u>30,000</u>	\$0.20 Options (PSAAQ)
2,007,500	TOTAL

Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the *securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has *security holders who will not be sent new issue documents	
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	

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⁺ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	
31	How do *security holders sell part of their entitlements through a broker and accept	

⁺ See chapter 19 for defined terms.

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	for the balance?	
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	3
33	⁺ Despatch date	
	3 - Quotation of securition and complete this section if you	es u are applying for quotation of securities
34	Type of securities (tick one)	
(a)	$\sqrt{}$ Securities described in	Part 1
(b)		the end of the escrowed period, partly paid securities that become lare securities when restriction ends, securities issued on expiry or
	ies that have ticked box 34(a)	
Addi	itional securities forming a	new class of securities
Tick inforn	to indicate you are providir nation or documents	ng the
35		requity securities, the names of the 20 largest al *securities, and the number and percentage of the by those holders
36	I I	equity securities, a distribution schedule of the setting out the number of holders in the
37	A copy of any trust deed	d for the additional *securities

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⁺ See chapter 19 for defined terms.

Entitie	es that have ticked box 34(b)		
38	Number of securities for which ⁺ quotation is sought		
39	Class of *securities for which quotation is sought		
40	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?		
	If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)		
42	Number and *class of all *securities quoted on ASX (including the securities in clause 38)	Number	+Class

⁺ See chapter 19 for defined terms.

Quotation agreement

- [†]Quotation of our additional [†]securities is in ASX's absolute discretion. ASX may quote the [†]securities on any conditions it decides.
- We warrant the following to ASX.
 - The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those *securities should not be granted *quotation.
 - An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before †quotation of the †securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 10 October 2012

Company Secretary & Group Financial Controller

Print name: Paul Gahdmar

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⁺ See chapter 19 for defined terms.