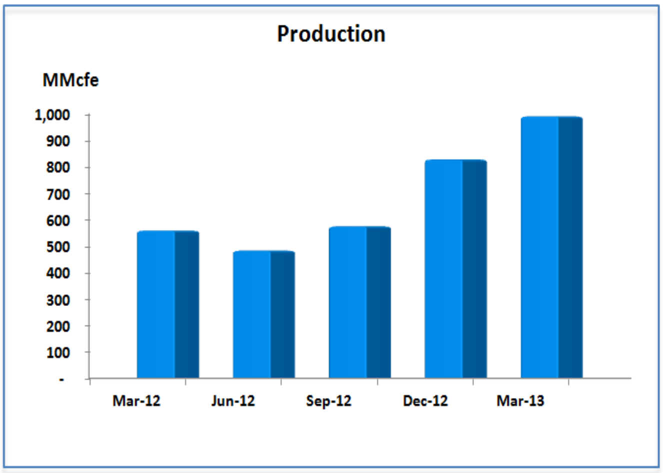
PETSEC ENERGY LTD
MARCH 2013 QUARTER RESULTS

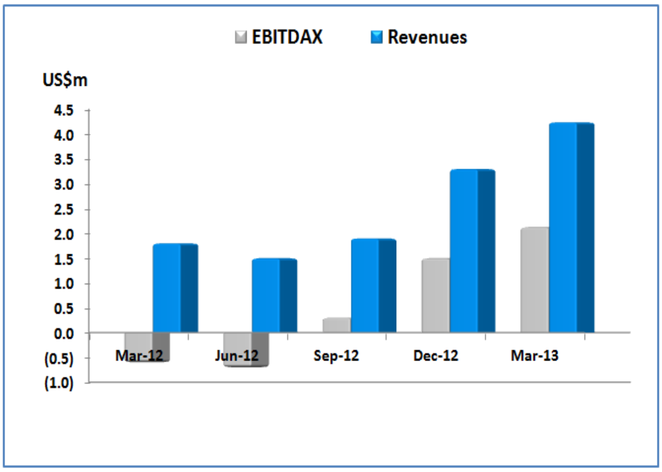
Financials (to be read in conjunction with "Financial Summary & Production Data" table on page 6)

Comparative Performance versus		Current Quarter Mar 13	Previous Quarter Dec 12	% Change	Corresponding Quarter Mar 12	% Change
Production	**MMcfe**	991	828	20%	559	77%
Average sales price	**US$/Mcfe**	4.28	4.02	7%	3.23	33%
Net revenue	**US$m**	4.2	3.3	28%	1.8	135%
EBITDAX	**US$m**	2.1	1.5	46%	(0.6)	n/a
Cash [1]	**US$m**	25.9	28.4	(9%)	38.4	(33%)
AE&D expenditure [2]	**US$m**	2.8	7.1	(61%)	2.2	27%

[1] *March 2013 cash includes restricted cash amounts of US$5.3 million (December 2012: US$5.4 million; Mar 2012: US$6.6 million) used to guarantee certain future rehabilitation obligations.*

[2] *Acquisition, Exploration & Development expenditure (accrual-based amounts).*





Highlights

- Third consecutive quarter of growth in production, revenues and EBITDAX – driven by increased levels of production and higher natural gas prices.
- Fourth well in the Marathon field brought into production in early March 2013.
- Combined gross production rates for the quarter from all four wells in the Marathon field reached in excess of 120 MMcf of gas per day and 500 barrels of oil per day.
- Further testing of vertical science well drilled in Alberta, Canada continued throughout the first quarter and will continue in the second quarter.
- Multi stage hydraulic fracturing and completion of first shale oil horizontal well in Alberta, Canada commenced in March 2013.

March 2013 Quarter Activity

Production and Cashflow

Production for the March 2013 quarter was 950 million cubic feet of gas ("MMcf") and 6,758 barrels of oil (equivalent to 991 MMcfe). This represents a 20% increase on the December 2012 quarter and a 77% increase on the corresponding period last year. The increase in production was largely attributable to higher production rates from the Marathon gas/condensate field following the expansion of facilities and pipeline capacity for the field in late 2012, and the commencement of production from the fourth well on the field in early March 2013.

The Company received an average gas equivalent sales price of US$4.28/Mcfe for its production during the current quarter, 7% higher than the US$4.02/Mcfe realised in the previous quarter. The average prices received for gas and oil/condensate production were US$3.69/Mcf and US$109.65/bbl, respectively (December 2012 quarter: US$3.48/Mcf and US$104.01/bbl). Refer to "*Hedging* and *Natural Gas Market*" sections for further details.

Net revenues increased by 28% to US$4.2 million for the March 2013 quarter (December 2012 quarter: US$3.3 million), reflecting higher production volumes and the higher average sales price received for the current period.

Similarly, EBITDAX increased to US$2.1 million for the March 2013 quarter (December 2012 quarter: US$1.5 million) and the EBITDAX margin increased to US$2.14/Mcfe (December 2012 quarter: US$1.76/Mcfe).

Unit lease operating expense decreased to US$0.83/Mcfe for the March 2013 quarter (December 2012 quarter: US$0.97/Mcfe) due to the higher production volumes. Geological, geophysical & administrative ("GG&A") expense also decreased to US$1.28/Mcfe (December 2012 quarter: US$2.26/Mcfe) due to the combined effect of higher production volumes and lower expenditures. The previous quarter GG&A expenditure included additional costs incurred in relation to the 2011 disposition of the Company's interest in the Block 22/12 Beibu Gulf project in China.

Acquisition, exploration and development expenditures for the March 2013 quarter totalled US$2.8 million. These expenditures primarily comprised the Company's share of costs for completion of the fourth well in the Marathon field; and the drilling and hydraulic fracturing of the first horizontal well in Alberta, Canada.

Cash Position

At 31 March 2013, the Company had no debt and held cash deposits of US$25.9 million, being equivalent to A$24.9 million at the period end closing exchange rate of 1.0415 (31 December 2012: US$28.4 million or A$27.4 million at the period end closing rate of 1.0394). The cash deposits include US$5.3 million held in an escrow account to fully secure operator bonds that are on issue to the Bureau of Ocean Energy Management ("BOEM").

March 2013 Quarter Activity (continued)

Hedging

From time to time, Petsec Energy utilises certain hedging instruments to manage a portion of its oil and gas sales price risks. The Company may hedge production up to 24 months forward.

In March 2013, the Company entered into the following natural gas swap hedge contracts:

Production period	Hedge types	Total MMBtu volume	Weighted average US$ Price
May – December 2013	Swaps	1,042,000	4.00
2014	Swaps	912,500	4.17
Total hedged volume		**1,954,500**	**4.08**

Natural Gas Market

U.S. natural gas spot prices strengthened during the March 2013 quarter due to prolonged seasonally cold temperatures, which have helped bring natural gas in storage down from record high levels in November 2012 to below the 5 year average in April 2013. Natural gas spot prices exceeded the US$4.00/MMbtu level in late March 2013, for the first time since September 2011.

The NYMEX 12 month and 36 month forward strip prices for natural gas on the 15th April 2013 were US$4.26/MMBtu and US$4.25/MMBtu, respectively, compared to prices of US$3.66/MMBtu and US$4.00/MMBtu, respectively on the 15th January 2013.

According to statistics released by the U.S. Energy Information Administration, natural gas in storage on the 5th April 2013 stood at 1,673 Bcf, 32.5% below the level for the corresponding period in 2012 (2,477 Bcf) and 3.8% below the 5-year average (1,739 Bcf). A year over year deficit of 2.6% and a surplus of 10.7% over the 5-year average was reported in the previous quarter.

Operations

USA Gulf of Mexico/Onshore Louisiana and Texas

Production

Marathon gas/condensate Field – Atchafalaya Bay
Petsec: 8% working interest (5.84% net revenue interest)

A fourth well (State Lease No. 20369 No. 2 well) for the Marathon gas/condensate field, located in the shallow waters of the Atchafalaya Bay along the Louisiana Gulf Coast, USA, was spud on 22nd October 2012 and reached total depth in early January of 2013.

The well was brought into production on 3 March 2013 through expanded pipeline and production facilities that were completed in the previous year. A fifth well is scheduled to be spud in the second quarter of 2013 and is expected to be brought into production late fourth quarter 2013/early first quarter 2014.

Combined gross production rates from the four existing wells in the Marathon field reached in excess of 120 MMcf of gas per day and 500 barrels of oil per per day during the March 2013 quarter. Additional production facilities are being built which will accommodate production from this fifth well.

March 2013 Quarter Activity (continued)

Operations (continued)

Exploration

Shale Oil Projects – Alberta, Canada

Petsec Energy has participated in the drilling of a well in each of two shale oil joint venture projects in the Western Canadian Sedimentary Basin of Alberta, Canada.

The first well was drilled in an area where the Company can earn a 24.5% working interest in leases covering 17,280 acres (4,234 lease acres, net to Petsec Energy) by participating in and paying 35% of the cost of up to four wells at an estimated cost of US$5.5 million.

The initial vertical commitment well in this project was drilled in the first quarter of 2012 with the initial production testing of the well commencing in November 2012. The results of the initial testing are incomplete and further production testing of this well is expected to occur in the second quarter of 2013 after access to the area can be gained following the Spring Breakup (melting of the frozen earth).

A second horizontal well was spud in November 2012 in a project covering 8,800 acres. The Company will earn 2,200 net acres by participating in the drilling and completion of this horizontal well to test for oil productivity in the target shale oil reservoir. The well reached its total measured depth of 3,754 metres, which included a 1,000 metre horizontal section, in early January 2013. Multi stage hydraulic fracturing and completion of the well commenced in March 2013. Testing will continue in the second quarter of 2013. The estimated cost to the Company of the horizontal well is expected to be in the order of US$4.5 million.

The two projects together cover over 26,000 acres of which the Company can earn a net 6,434 acres which in turn holds the potential for a net recoverable oil resource in the order of 10 to 15 million barrels of oil.

U.S. Shale Oil Projects

Technical analysis of one of the Company's U.S. shale oil projects is complete and the Company is seeking a joint venture partner to jointly pursue the project.

Financial Summary and Production Data

A "Financial Summary and Production Data" table is provided on page 6.

Proposed Activities – June 2013 Quarter

The principal activities of the June 2013 quarter will be to spud the Marathon #5 well, prepare a number of the Company's large deep gas/oil prospects for drilling in 2014/2015, complete extensive production testing of the vertical science well and shale oil horizontal well in Alberta, Canada; and to progress the Company's North American shale oil projects.

March 2013 Quarter Activity (continued)

2013 Production Forecast

Oil and Gas Reserves – USA

Independently estimated proved and probable (2P) oil and gas reserves at 31 December 2012 were 11.1 Bcfe. The net present value at an annual discount rate of 10% (“NPV10”) of these 2P reserves were independently assessed to be US$31.8 million using the prevailing natural gas and oil forward strip prices on that day as shown below:

	Henry Hub Gas (US$/MMBtu)	**WTI Oil (US$/bbl)**
2013	$3.55	$93.00
2014	$4.00	$92.00
2015	$4.25	$90.00
2016	$4.40	$88.00
2017 and thereafter	$4.60	$87.00

2013 Forecast Production

The Company forecasts net production from existing producing fields in the Gulf of Mexico and Louisiana Gulf Coast will exceed its previous guidance of 2.9 Bcfe for the 2013 financial year.

March 2013 Quarter Activity (continued)

FINANCIAL SUMMARY AND PRODUCTION DATA

UNAUDITED PRELIMINARY FINANCIAL DATA				Mar 2013 Quarter	Dec 2012 Quarter	% Increase/ (decrease)	Mar 2012 Quarter	% Increase/ (decrease)
Amounts in US$000								
Net Revenue				4,242	3,325	28%	1,803	135%
Other Revenue/(Expense)				(28)	807		186	
Lease Operating Expenses				(824)	(800)		(979)	
Geological, Geophysical & Administrative Expenses (G,G&A)				(1,264)	(1,875)		(1,569)	
EBITDAX			*US$000*	2,126	1,457	46%	(559)	
Cash [1]			*US$000*	25,893	28,444	-9%	38,416	-33%
[1] *Mar 2013 cash includes restricted cash deposits of US$5.3 million used to guarantee certain future rehabilitation obligations (Dec 2012: US$5.4 million; Sep 2012: US$5.4 million)*								
Acquisition, exploration & development expenditure								
Acquisition				-	654		382	
Exploration				1,902	2,812		922	
Development				879	3,675		891	
Total			*US$000*	2,781	7,141	-61%	2,195	27%
Production (MMcfe)		**W.I.**	**N.R.I**					
Offshore Gulf of Mexico								
Main Pass 18/19	1	100%/ 55%	83.33%/ 45.83%	166	156		241	
Main Pass 270		22.5%-25%	18.75%-20.83%	177	166		135	
Chandeleur 31/32	1	100%	81.83%	69	60		96	
Onshore/Coastal Louisiana		8% - 80%	5.84% - 60.61%	579	446		87	
Total			*MMcfe*	991	828	20%	559	77%
[1] *Operated by Petsec Energy*								
Unit revenue/cost analysis per Mcfe (USD)								
Oil/Condensate per barrel				*109.65*	*104.01*		*112.13*	
Gas per Mcf				*3.69*	*3.48*		*2.76*	
Average sales price per Mcfe				4.28	4.02	7%	3.23	33%
Other revenue/(expense)				(0.03)	0.97		0.33	
Lease operating expense				(0.83)	(0.97)		(1.75)	
G,G&A expenses				(1.28)	(2.26)		(2.81)	
EBITDAX per Mcfe			*US$*	2.14	1.76	21%	(1.00)	

Glossary

Bcfe = billion cubic feet of gas equivalent
Mcfe = thousand cubic feet of gas equivalent
MMbls = million barrels
Mmcfe = million cubic feet of gas equivalent

EBITDAX = Earnings before interest, income tax, depreciation, depletion, amortisation, rehabilitation and exploration (including dry hole, impairment and abandonment expense; seismic and work-over expense) and unrealised derivative gains. EBITDAX is a non-IFRS number and is unaudited.

Dated: 23 April 2013

For further information, please contact:

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

Ross A Keogh
President and Group Chief Financial Officer
Petsec Energy Inc.
1000 Louisiana, Suite 5550
Houston, TX 77002 USA
Tel: 1 713 457 5800 Fax: 1 713 457 5838

Certain statements in this report regarding future expectations and plans of the Company may be regarded as "forward-looking statements". Although the Company believes that its expectations and plans are based upon reasonable assumptions, it can give no assurance that its goals will be met. Actual results may vary significantly from those anticipated due to many factors, including oil and gas prices, operating hazards, drilling risks, environmental risks and uncertainties in interpreting engineering and other data relating to oil and gas reservoirs, as well as other risks.