

9 January 2008

**DRILLING UPDATE:
WEI-6-12W-1 EXPLORATION WELL, BLOCK 22/12,
OFFSHORE CHINA***Petsec Energy Ltd (ASX, PSA; ADR's, PSJEY.PK)*

The operator of Block 22/12 Beibu Gulf, Roc Oil (China) Company advises as at 0600 hours (local time) on 9 January 2008, the Premium "Murmanskaya" jack up drilling rig has completed running the 13-3/8 inch casing to a depth of 800 metres BRT. Current operations are preparing BOP testing prior to drilling the next hole section.

The Wei-6-12W-1 well is located approximately 2.5 kilometres northwest of the Wei 6-12S-1 oil discovery.

Participating Interests in Block 22/12 Joint Venture are:

Roc Oil (China) Company	40% (Operator)
Horizon Oil Limited	30%
Petsec Energy Ltd	25%
Oil Australia Pty Ltd*	5%

The above interests are subject to Government participation in developments of up to 51%

** A subsidiary of First Australian Resources*

This is the first well in a 3 to 4 well drilling programme to test prospects close to the Wei 6-12S-1 oil discovery which the Joint Venture made in May 2006.

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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 the onshore Louisiana Gulf Coast region of the USA, and oil in the shallow waters of the Beibu Gulf off the south coast of China.