

29 January 2008

**DRILLING UPDATE:
WEI-6-12W-1 EXPLORATION WELL, BLOCK 22/12,
BEIBU GULF, OFFSHORE CHINA**

Petsec Energy Ltd (ASX, PSA; ADRs, PSJEY.PK)

The Wei 6-12W-1 exploration well in Block 22/12 in the Beibu Gulf, offshore China, has been drilled to a Total Depth of 2,333 mBRT and wireline logging has been completed. Drilling and log data indicate that no commercial hydrocarbons were intersected and the well has been plugged and abandoned.

Later this week, the Premium "Murmanskaya" jack-up drilling rig will commence drilling the Wei 6-12E-1 well, the second well in the three well drilling programme. The Wei 6-12E-1 well will test a structural-stratigraphic prospect in the same sand formation as the 6-12 South oil discovery which is located 1.7 kilometres to the west.

The third well will appraise the 12-2-1 oil discovery (1993) in the south of Block 22/12 which flowed 3,200 bopd on test.

Participating Interests in the Block 22/12 Joint Venture are:

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

The above interests are subject to China National Offshore Oil Corporation (CNOOC) rights to participate up to 51% in developments.

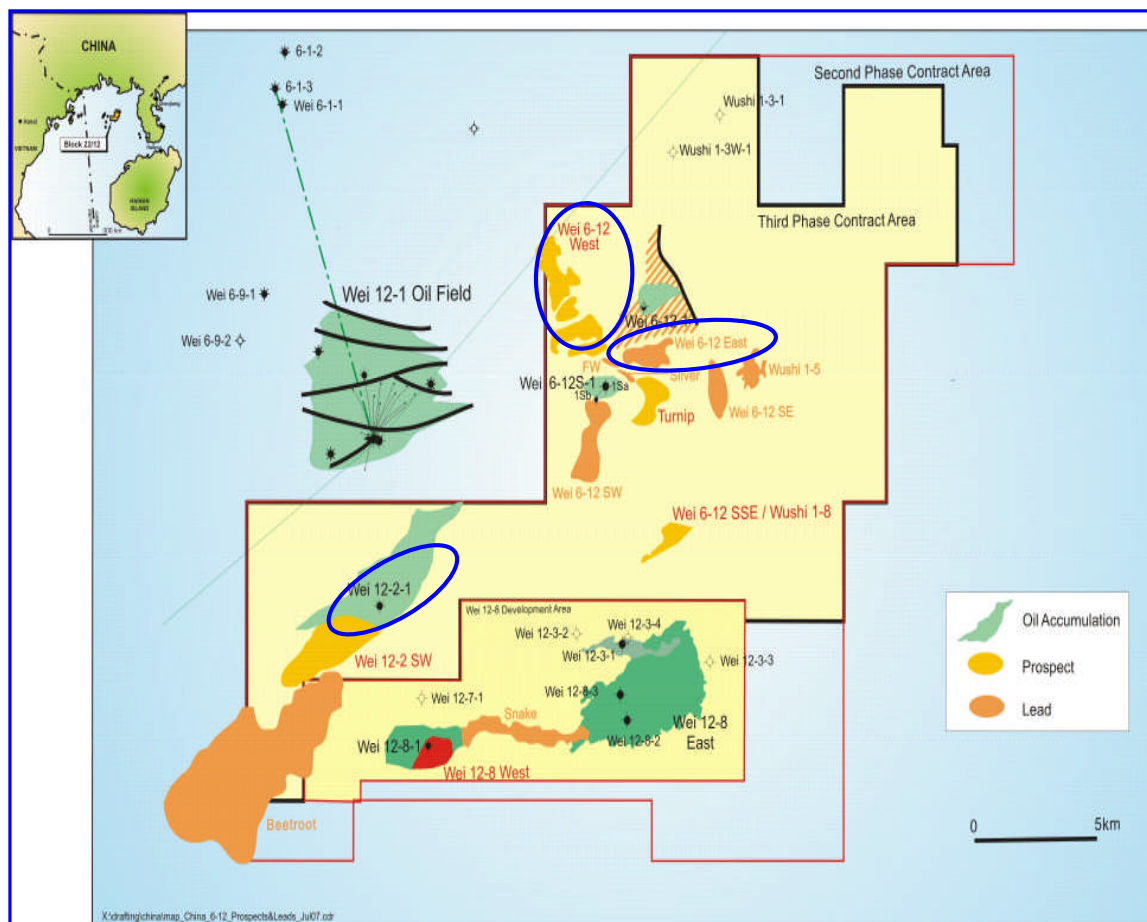
**A subsidiary of First Australian Resources*

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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.

Block 22/12 Beibu Gulf, China



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