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Drilling Resumes at Deshotels 13H No.1

Pryme Energy Limited (Pryme) provides the following update on operations at its Turner Bayou project in Louisiana, USA.

The Turner Bayou project comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Primary targets are the Austin Chalk formation at 15,300 feet and the Eagle Ford formation at 16,000 feet.

Deshotels 13H No.1 (40% Working Interest / 30% NRI)

Drilling of the second well in the Turner Bayou Chalk project, the Deshotels 13H No.1 well in North Bayou Jack Field, has resumed and is currently at a depth of 7,640 feet (2,328 metres.) The well will be drilled to a vertical depth of approximately 15,000 feet (4,570 metres) with a 4,000 foot (1,220 metre) lateral through the Austin Chalk formation. The total measured depth of the well will be 19,000 feet (5,790 metres.) It is expected that it will take approximately 2 months to reach target depth (early August.) Following completion the well will be connected to the Deshotels 20H No.1 production facilities.

This is the second well to be drilled in the Turner Bayou Chalk project. The first well, the Deshotels 20H No.1, encountered significant major phase oil fractures interpreted from the 3D seismic survey resulting in oil being produced to the surface and natural gas flared while drilling. Mechanical problems during the completion of the Deshotels 20H No.1 hindered the effective completion of the well and it is currently producing below expectations at 150 barrels per day of oil and approximately 130 mcf per day of natural gas. Pryme and its partners plan to rectify the Deshotels 20H No.1 following the drilling and bringing into production the current well.

The drilling procedure for the Deshotels 13H No.1 well involved a small rig to drill the surface hole and running casing to a depth of 4,500 feet (1,370 metres.) The surface hole was drilled on a fixed fee contract basis and was completed on 17 May. A larger rig has been mobilized to site to drill the remainder of the vertical section of the well and the lateral.

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