



15 August 2011

Deshotels 13H No.1 Casing Run and Packers Set Turner Bayou Chalk Project

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)

The Deshotels13H No.1 well in the Turner Bayou Chalk project has been successfully completed and is now being prepared for production.

The five and half inch Packers Plus production liner has been installed in the horizontal leg of the well and tied back to the surface. The production liner packers have been set in accordance with the proposed well acid stimulation and production plans. The drill rig has been released and demobilisation has commenced.

The flow line connecting the well to the Deshotels 20H No.1 production facilities will be complete by the end of August and production flow testing will commence in early September. Oil and natural gas produced during the flow test will be sold and the well will remain online post the flow test.

"This is an important mechanical milestone for the well and the project. We would like to acknowledge the efforts of the engineering team and Nelson Energy, our operator, for a job well done," said Justin Pettett, Pryme's Managing Director. "The drilling of the well has been a smooth operation and it has been completed on budget and to plan."

Our regular weekly updates will resume when flow testing begins in early September. Shareholders will be kept informed as these activities progress.

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Drilling of the Deshotels 13H No.1 well in the Turner Bayou Chalk project