



1 December 2011

Boardroom Radio Broadcast

Pryme Energy Drilling and Operations Update

Pryme Energy Limited (ASX: PYM) has joined the Boardroom Radio Australia (BRR) team to record and publish online broadcasts of various announcements its makes through the Australian Securities Exchange (ASX.) Please click on the following link to listen to this latest broadcast.

[Pryme Energy Limited – Boardroom Radio](#)

PRYME ENERGY LIMITED (PYM) provides the opportunity to listen to an audio broadcast with Mr Justin Pettett, CEO and MD in a presentation titled "Pryme Energy drilling and operations update."

The presentation details are as follows:

-  Pryme Energy drilling and operations update
-  Presented by Mr Justin Pettett, CEO and MD
-  Thursday, 1 December 2011 3.15pm AEST
-  A transcript of the broadcast is included below

About Turner Bayou

The Turner Bayou project is a significant part of Pryme's exploration portfolio and comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Primary targets are the Wilcox formation at 12,500 feet, the Austin Chalk at 15,300 feet and the Eagle Ford and Tuscaloosa Marine Shales at 16,000 feet. Pryme has approximately 9,600 net acres within the Turner Bayou project covering all depths representing up to 30 potential drilling locations in the Austin Chalk alone.

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**RADIO INTERVIEW WITH JUSTIN PETTET, MANAGING DIRECTOR, PRYME ENERGY,
CONDUCTED ON THURSDAY, 1 DECEMBER 2011**

Q1 Hello and welcome to BRR. I'm joined by Mr Justin Pettett, and Justin is the Managing Director at Pryme Energy. Justin, good morning and welcome back.

A1 Thanks, James.

Q2 Now, the company has got a drilling project underway at the Rabalais 35 well; can I get you to give me a bit of background on the project and tell me about the work that you're doing?

A2 Absolutely. The Rabalais 35 well, which is being drilled by Anadarko Petroleum sits in the northern most part of our acreage in our Turner Bayou Chalk project, and because we have acreage and a unit that Anadarko are drilling in, we had the right to participate in that well, which of course we did. It represents not only an attractive exploration opportunity, but an additional data point for us in delineating our acreage. We've obviously drilled two wells in our acreage already, which we'll talk about, but the Rabalais well will be to the northern extent of our acreage, being drilled by a major oil and gas company, being Anadarko, so we're excited and look forward to leveraging off their knowledge and resources of the area. The well, at the moment, is currently drilling just over 12,000 feet. Another couple of thousand feet and we'll begin to make our angle – build our angle for the horizontal section, so there should be a lot of activity leading up to Christmas and hopefully a belated Christmas present in January 2012 for all of our shareholders.

Q3 And Justin, in terms of operations at the Deshotels 13 well, can you give me a bit of an update on what's taking place?

A3 Yes, absolutely. The 13H – Deshotels 13H is currently shut in, after a nitrogen injection procedure, and the reason for this nitrogen injection is to simply take the hydrostatic head of the fluid in the vertical section of the well – take that weight off the lateral – the horizontal lateral, and allow it to flow at its maximum capacity, to clean up all of the mud that was left behind by drilling and also saltwater in the well. That mud and the saltwater is acting like a choke because it's heavier than the oil and gas that we have coming out of our fractures, so we need to clean that out of our well. We've had some very good responses from this procedure over the past week and we look forward to next week, bringing it back online, getting out an initial potential rate and lodging that with the State of Louisiana and, of course, getting that rate out to the market and finally producing some oil and natural gas from the project.

Q4 Okay, Justin. Well, I'm sure shareholders and investors appreciate the update on that front and we'll continue to follow progress there and also with the well that's underway and drilling at the moment. So thank you very much for your time and for the update.

A4 Thanks, James.

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