

6 January 2012

Rabalais 35 No.1 Drilling Completed Turner Bayou Chalk Project

Rabalais 35 No.1 (8.8% Working Interest / 6.6% NRI)

The Rabalais 35 No.1 well in the Turner Bayou Chalk project has been drilled to a measured depth of 20,370 feet (6,208 metres) including a lateral of approximately 6,183 feet (1,884 metres). Drilling was terminated short of the targeted 7,000 foot (2,130 metres) lateral length due to hole conditions leading to increased torque on the drill string. Conditioning of the well bore and completion of the well are underway.

Installation of a slotted production liner is expected to begin next week. Following this the drill rig will be demobilised and flow testing will commence. It is expected that the flow test will be completed by the end of January.

Justin Pettett, Pryme's Managing Director, said "the Rabalais 35-1 well will provide an additional data point for establishing the oil and gas prospectivity in the northern portion of Pryme's acreage within the Turner Bayou 3D seismic survey area."

About Turner Bayou

Pryme has a 40% working interest in 24,000 acres (9,600 net acres) in the Turner Bayou Project and is initially targeting development of the Austin Chalk horizon. A total of 30 Austin Chalk well locations are possible within the project area based on a 640 acre well spacing.

The Rabalais 35 No.1, which is being drilled by Anadarko Petroleum, is the third well in which Pryme has participated in the Turner Bayou project. The recently completed Deshotels 13H well (Pryme 40% WI), which is 4 miles south of the Rabalais 35 No.1, returned an initial test rate of 1,167bpd of oil and 600mcf/d of natural gas despite a sub optimal completion method and is now shut in pending the installation of a downhole pump prior to the commencement of commercial production.

The Rabalais 35 No.1 will be completed using a technique which has been successfully demonstrated in a number of recently drilled wells in the Austin Chalk. It is targeting the same Austin Chalk objective as the Deshotels 13H and, if successful, will provide further evidence of the commerciality of the Austin Chalk formation in this region. Recently successful wells in and around Turner Bayou are detailed in Table 1 and Figure 1 below. Pryme plans to spud its fourth well in the Austin Chalk prior to April 30, 2012.

In addition to the Austin Chalk potential of the Turner Bayou project area, Pryme is aware that several companies have achieved encouraging results from tests of the Eagle Ford and Tuscaloosa Marine Shales in proximity to Turner Bayou. The Company will continue to monitor this activity and update the market as appropriate.



Austin Chalk Initial Potential Rates

Operator	Well	Oil (bopd)	Gas (mcf/d)	Water (bwpd)
Anadarko Petroleum	Lacour 43-1	3,000	2,500	600
Atinum Operating, Inc	Briggs Alt. No.1	2,184	6,795	3,276
Nelson Energy	Deshotels 13H No.1	1,167	644	350
Anadarko Petroleum	GASRS 5 No.1	1,073	12,663	5,465
Anadarko Petroleum	Dominique 27 No.1	753	1,151	1,484
Nelson Energy	Deshotels 20H No.1	600	458	0
Anadarko Petroleum	GASRS 18 No.1	500	7,000	6,672
Anadarko Petroleum	GASRS 16 No.1	203	1,127	259

Table 1: Louisiana Department of Natural Resources www.sonris.com

Austin Chalk Regional Trend Map and Project Location

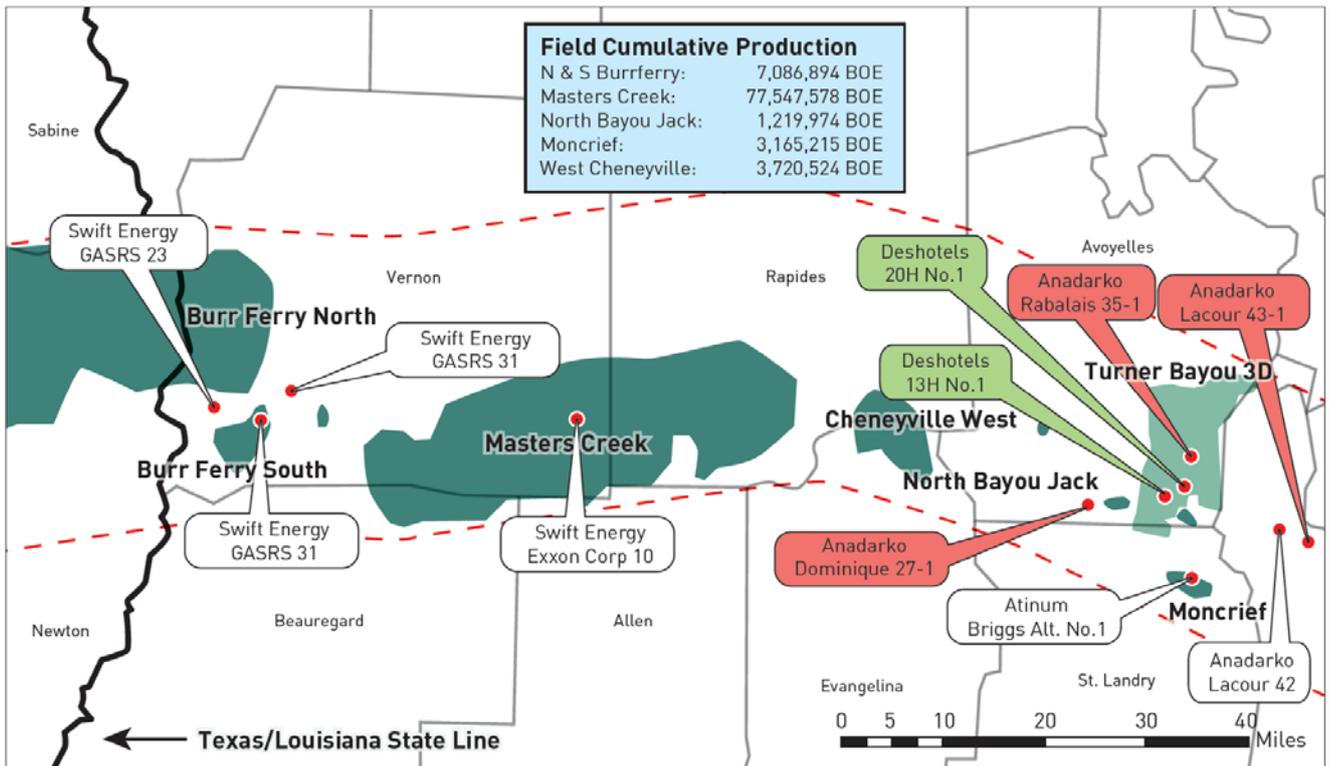


Figure 1

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Competent Person Statement

The information contained in this announcement has been reviewed by Mr Greg Short, BSc. Geology (Hons), a Director of Pryme who has more than 33 years' experience in the practise of petroleum geology. Mr Short reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org.