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Turner Bayou Chalk Project Operations Update

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)

A completion rig is planned to be on site later this week to perform the acid stimulation of the Austin Chalk formation and commence the production flow test of the Deshotels 13H No.1 well. Completion operations and the flow test are expected to take 2 days. Oil and natural gas produced during the flow test will be sold and the well will remain online following the test.

Site preparation for the third well to be drilled in the Turner Bayou Chalk project is scheduled to begin next week with a view to commencing drilling in early November. It will be drilled from an extension of the Deshotels 13H No.1 well pad.

"Operations through to the flow testing stage of the Deshotels 13H No.1 have run smoothly and as planned. We look forward to the well being brought into production and to the commencement of work on our third well in this project," said Justin Pettett, Pryme's Managing Director.

"With approximately \$5.8 million in cash Pryme has sufficient funds to complete the drilling of the third well in November, to remediate the Deshotels 20H No.1, and to continue planned operations at its other projects," said Mr Pettett

Shareholders will be kept informed as flow testing activities progress.

For further information please contact:

Justin Pettett
Managing Director
Pryme Energy Limited
Telephone: +61 7 3371 1103

Ryan Messer
Chief Operating Officer
Pryme Energy Limited
Telephone: +1 713 401 9806

Website: www.prymeenergy.com

ASX Code: PYM

OTCQX Code: POGLY