



ASX / Media Release

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Rosewood Plantation 21H No.1 Production Update Turner Bayou Chalk Project

Rosewood Plantation 21H No.1 (61.53% Working Interest / 46.15% NRI)

The flow back operation on the Rosewood Plantation 21H No. 1 well has been underway since last Monday night (Brisbane, Australia time). The objective of the operation has been to clean up the well and establish a stable rate of production.

As reported, the initial maximum flow rate, which was observed shortly after oil flow was established, was 1,040 barrels of oil per day (bopd) and 1,850 thousand cubic feet per day (Mcf) of natural gas and the average flow rate over the subsequent 12 hours was 780 bopd and 1,700 Mcf of natural gas. To date the well has produced approximately 1,900 barrels of oil with the natural gas being flared.

The well profile consists of a near vertical section to a depth of 15,320 feet (4,670 metres) with a "lateral" section, within the Austin Chalk formation, of 4,480 feet (1,365 metres) in length. A slotted production liner has been installed in the lateral section. In detail, the lateral section has been designed to follow a path which is slightly above horizontal with the result that the "toe" of the well is slightly shallower than the "heel" of the well, at the base of the vertical section, and the lowest point in the well path is near the start of the slotted liner.

Our current interpretation is that, due to gravitational segregation, heavy drilling fluid and cuttings remain in the heel or other segments of the lateral and the well has not yet cleaned up. The heavy drilling fluid appears to be restricting the flow of oil from the oil bearing fracture systems, which were encountered when drilling the lateral leg, and oil is being produced through an open choke in "slugs" rather than continuously. The well is currently flowing approximately 85% oil and 15% water and drilling fluid in slugs with flow rates over the past 24 hours up to 800 barrels of oil and water per day, which, however, are not high enough to lift the solids to surface.

We are planning to shut the well in and monitor the pressure build up towards the original reservoir pressure. We will then use the pressure data as a basis for establishing the next steps towards rectifying the issue and establishing a stable rate of production.

At this stage it is too early to predict the long term flow rate or ultimate recoverable volume from the well.

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Competent Person Statement and Disclaimer

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.



Workover rig running tubing and flow back tanks on Rosewood Plantation 21H well site



Flaring natural gas during flow back of RP21H