



19 October 2010

Deshotels 20-H No.1 Drilling Update Turner Bayou Chalk Project

Directional drilling of the Deshotels 20-H No.1 well in the Turner Bayou Chalk project has been completed to a depth of approximately 40 feet below the top of the Austin Chalk formation. An intermediate string of casing is being run to preserve well bore integrity through to the top of the formation. After the cement has cured the operator will drill the lower radius section of the well to the target depth of approximately 15,330 feet within the Austin Chalk formation and then drill the 4,500 foot (1,372 metre) horizontal leg.

It is currently estimated that drilling of the horizontal leg will be completed during the first week of November.

Pryme has a 40% working interest (30% net revenue interest (NRI)) in this well.

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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the Gulf States of the U.S. The company has oil and gas exploration projects focused on Louisiana, the fifth-largest oil-producing state in the U.S. These projects are funded in part by existing cash flow. Pryme's board of directors and management team has over 100 years of energy industry experience and has uniquely focused local knowledge, underscored by the proven track records of its managers and directors. Directors of the company are George Lloyd (Non Executive Chairman), Justin Pettett (Managing Director) and Ryan Messer (Executive Director) and Greg Short (Non Executive Director).