

## McCain Well Reaches Target Depth Initial Capitola Drill Program moves into Completion Phase

### HIGHLIGHTS

- **130 net feet of oil and gas saturated sandstone within Canyon Sands formation**
- **Significant hydrocarbon shows in other intervals within the well**
- **Completion planning underway**

Pryme Energy Limited (Pryme) is pleased to announce that the third well to be drilled in the Capitola Oil Project, the McCain 189-F1 in the Claytonville acreage block, has reached its total depth of 7,300 feet (2,225 metres). Mud log data collected while drilling, and electric logs run post drilling, have identified several intervals of oil and gas saturated sandstone aggregating 130 net feet (40 net metres) within the Canyon Sands formation. Other intervals with hydrocarbon shows were encountered within the Cline Shale, Palo Pinto and Ellenburger formations which were also targets for this well. In addition to the Canyon Sands intervals, these will be considered for completion. Production casing is currently being run and will be cemented in the wellbore in preparation for completion.

“Completion of the McCain well, as well as the Mahaffey Bishop and Hope Boles wells in the Sweetwater acreage block, will take place through November with first oil production expected in early December,” said Justin Pettett, Pryme’s Managing Director and CEO. “We are very happy with the results from our initial 3 well drilling program in Capitola and are enthusiastic about the production potential of these wells.”

### About the Capitola Oil Project

The Capitola Oil Project is located in an active region of the Eastern Shelf of the Permian Basin just north of the town of Sweetwater, Texas. The project contains a number of shallow, “stacked” formations to depths of 7,500 feet, with established oil production history from vertical wells. The Capitola Oil Project acreage is contained within two contiguous lease blocks referred to as Sweetwater (approx. 7,000 acres) and Claytonville (approx. 2,333 acres) to the north of Sweetwater. Pryme is the operator of the Capitola Oil project.

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### Competent Person Statement and Disclaimer

*Technical information contained in this presentation in relation to the projects of the Company have 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 consents to the inclusion in this presentation of the information in the form and context in which it appears.*