



31 August 2010

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

The Deshotels 20-H No.1 well in the Turner Bayou Chalk project is currently at a depth of 14,075 feet (4,209 metres.) Drilling progress to date has been good with no unexpected problems. Drilling of the 4,500 foot horizontal leg of the well is expected to commence in approximately 2 weeks and be completed by early to mid October. The timing of drilling the well may change depending on progress, particularly with the horizontal leg. If the well is successful it is expected that it will be completed as a producing well towards the end of October or in early November. Pryme will continue to keep shareholders informed as the well progresses.

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

### **Project Description**

The Deshotels 20-H No.1 well in the North Bayou Jack Field is the first deep well to be drilled within the Turner Bayou 3D seismic survey. The well will be drilled to a depth of 15,380 feet (4,688 metres) vertically with a 4,500 foot (1,372 metre) horizontal lateral through the Austin Chalk formation which is predominantly oil bearing in this region.

Turner Bayou is one of Pryme's high value projects. It is located in Avoyelles Parish, Louisiana. Pryme has a 40% interest in the Turner Bayou Chalk project area, which is contained within the Turner Bayou 3D seismic survey, and a 52% interest in the balance of Turner Bayou. 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 contained within six prospective formations ranging in depth from the Frio formation at 3,000 feet, to the Tuscaloosa formation at 18,000 feet.

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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).*