



21 September 2010

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

Preparation for the kick-off of the horizontal leg of the Deshotels 20-H No.1 well in the Turner Bayou Chalk is near to complete. It is expected that the kick-off will commence within 48 hours. The drilling of the horizontal leg is estimated to take 20 days to reach target depth.

The planned kick-off point is at a depth of approximately 14,730 feet (4,490 metres) in the vertical section of the well and the horizontal leg will be established in the Austin Chalk at a depth of approximately 15,330 feet (4,672 metres.) The planned length of the horizontal leg is 4,500 feet (1,372 metres).

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 16,400 feet (5,000 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).