pryme OIL AND GAS

pryme times
Quarterly Shareholder Newsletter

Issue: 5 June 2007

Pryme Times – One Year Old!

Welcome to the fifth edition of Pryme Times quarterly newsletter. Pryme Times is a publication of articles and news compiled by the directors of Pryme to keep shareholders and investors up to date on the progress of the company.

Pryme Times is one year old! Our first edition was issued back in June 2006 and we've witnessed the company grow from $11 million market cap to several times this size. In addition to what the near-term holds for Turner Bayou, we have a project inventory of seven projects in Louisiana, each with varying degrees of risk and reward which has been managed by the board of Pryme via participation in the lower risk prospects and farming out interests in our higher risk deals.

The past quarter saw the completion of data acquisition in the Turner Bayou 3-D shoot. We expect to take delivery of this data and develop a drilling program to begin in the 3rd Quarter. .

Our first Raven well, the Spinks Middlebrooks #11-1, was drilled to a total depth of 10,830 feet and was successfully logged showing multiple pay zones Facilities for the well are now being purchased and installed, which includes the construction of flow lines and a connection to the gas buyer. In addition, we are expecting to produce condensate from this well, which typically is produced in combination with natural gas in the Cotton Valley formation.

Leasing in Atocha has been increased through the introduction of additional land men. The evaluation and interpretation of the initial 500 miles of 2-D seismic in Pryme's Checkmate prospect has begun. These two projects will complement Pryme's existing project inventory in Louisiana.

Having executed on our plans through the first successful logging of Raven, we are poised to execute again as Turner Bayou prospects are drilled. This issue of Pryme Times also discusses significant advances in seismic technology and why we feel that seismic processing and interpretation is going to drive the drill bit in many parts of the USA in the future. We intend to apply such new methods to our inventory of seismic data sets of both 2-D and 3-D, for use in future Pryme projects.

Sincerely
Justin Pettett
Managing Director

Past Quarter Highlights

- Recording of Turner 3D seismic complete and ready for Processing
- Checkmate project underway to secure long term growth of the company
- First Raven well (Spinks Middlebrooks #11-1) successfully drilled to total depth
- $3m raised to begin drilling program

Upcoming Key Dates

July, August, September

- Coleman No.8 to be drilled in LaSalle Parish Project
- Evaluation of 3-D data and drilling timetable for Turner Bayou begins
- Flow test and sale of first products of Spinks Middlebrooks #11-1 well
- Seismic data research to begin in Checkmate

Seismic Data Driving Exploration in the USA

Seismic technology has become the pre-eminent tool in looking for oil and gas in the U.S., since the lower-priced, easier-accessed, shallower reserves have been largely depleted. Seismic technologies and related earth science have made it possible for oil and gas to be the "expanding resource base" in the U.S. that had earlier been predicted to result from higher oil and gas prices.

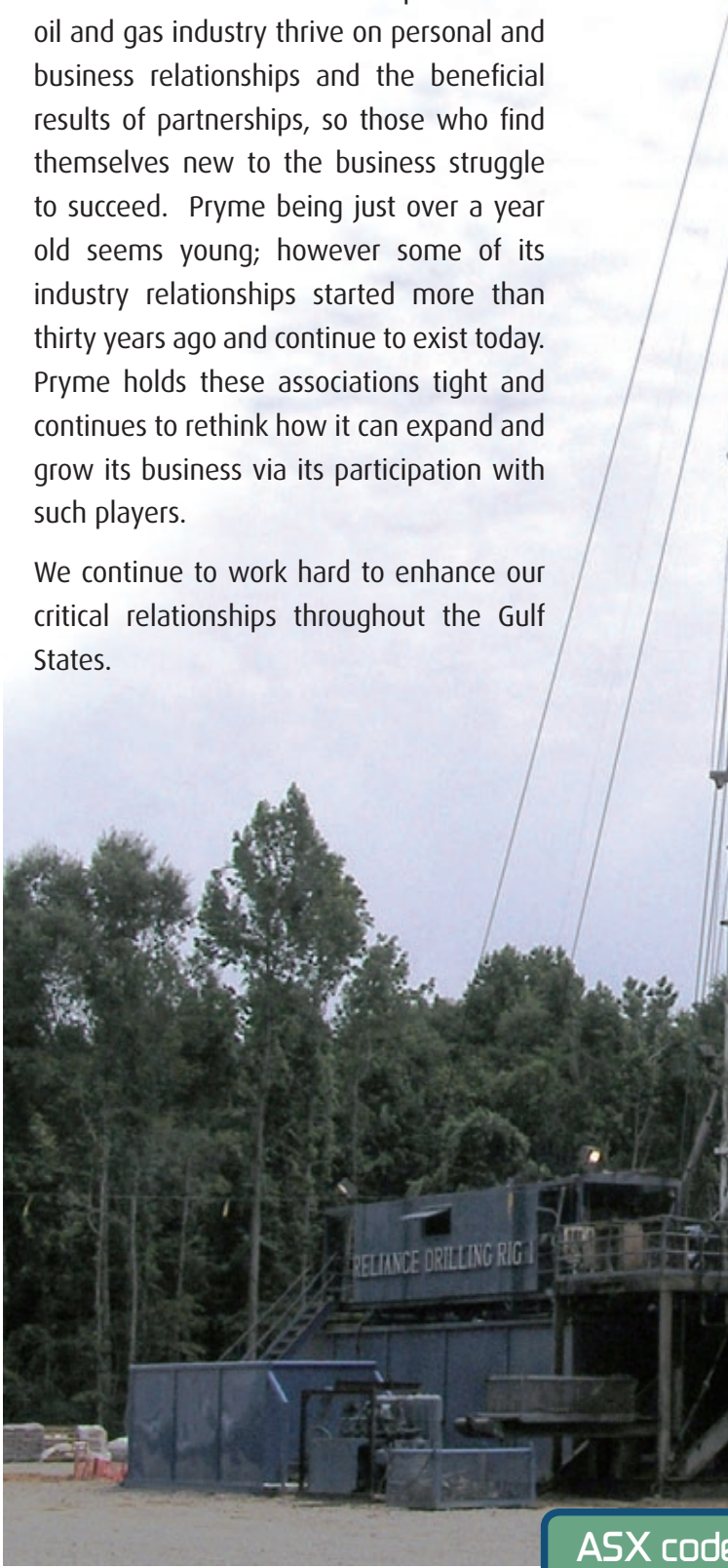
Because of recent technology advancements in the processing and interpretation of existing seismic records, what once had been considered "old data" and "picked-over" seismic data is now often the equivalent of newly-acquired data, whether 2-D or 3-D. This is especially true with respect to horizons and the lithology therein that were beyond the reach of earlier processing and interpretive methods. Consequently, Pryme's present inventory of approximately 1,100 square miles of 3-D seismic translates into more than 680,000 acres of this class of asset, which includes about 50,000 acres of Pryme's proprietary 3-D data taken at Turner Bayou. Pryme is also purchasing about 1,000 miles of 2-D seismic data along the U.S. Gulf Coast.

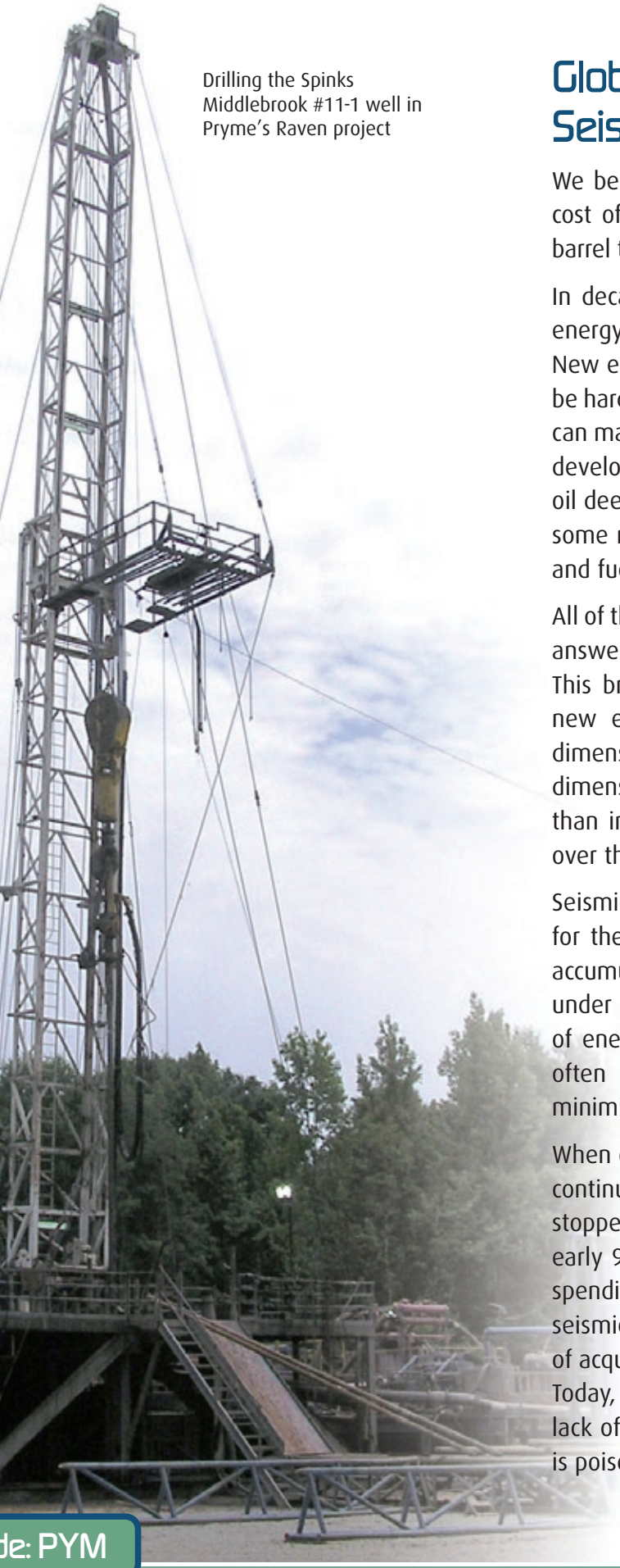
These 2-D and 3-D data inventories will be processed and reprocessed (depending upon the class) in Houston and Europe. The subsequent interpretation of such processed information and selection of prospects will use the laws of mathematics and physics in addition to individual, subjective analysis by conventional interpreters. We believe Pryme is at the leading edge of this process.

How Pryme is Expanding its Relationships in the United States

The medium size and smaller parts of the oil and gas industry thrive on personal and business relationships and the beneficial results of partnerships, so those who find themselves new to the business struggle to succeed. Pryme being just over a year old seems young; however some of its industry relationships started more than thirty years ago and continue to exist today. Pryme holds these associations tight and continues to rethink how it can expand and grow its business via its participation with such players.

We continue to work hard to enhance our critical relationships throughout the Gulf States.





Drilling the Spinks Middlebrook #11-1 well in Pryme's Raven project

Global Energy Outlook and Seismic Technology

We believe that new energy deposits will be found, but the cost of finding these new reserves will be much higher per barrel then it has been in the past.

In decades past the thinking was that finding a lot of new energy would be as cheap as had been found historically. New energy sources are being found, but they are proving to be harder to access and more expensive to produce. While we can make oil from coal, we can make ethanol for fuel, we can develop the oil sands in northern Canada, and we can drill for oil deep under the sea in many parts of the globe. These are some relatively recent approaches for solving the world's oil and fuel needs.

All of these approaches will produce oil but at what price? The answer: a lot higher than the current price of US$70/barrel. This brings to the forefront the continuing development of new exploration technologies, especially seismic. Three-dimensional seismic studies and re-processed two-dimensional seismic will be used to a much greater extent than in the past to determine the location of hydrocarbons over the coming decades.

Seismic is a system of using the physics of sound propagation for the purpose of estimating the existence of hydrocarbon accumulations beneath the Earth's surface. It is even possible under some circumstances to determine which of such pools of energy could be produced economically. Seismic studies often help in determining finding and drilling costs and minimize the events of finding failed wells or dry holes.

When oil prices continued at high levels, major oil companies continued to spend on seismic for a few years, but they stopped when oil prices began to fall in the late 80's and early 90's. It has been about twenty years since this major spending on gathering seismic data ended. Since then the seismic industry has improved their integrated technologies of acquisition, processing and evaluation, whether 2-D or 3-D. Today, there is a significant pent-up demand caused by the lack of data gathered during these last two decades. Pryme is poised to take advantage of this opportunity.

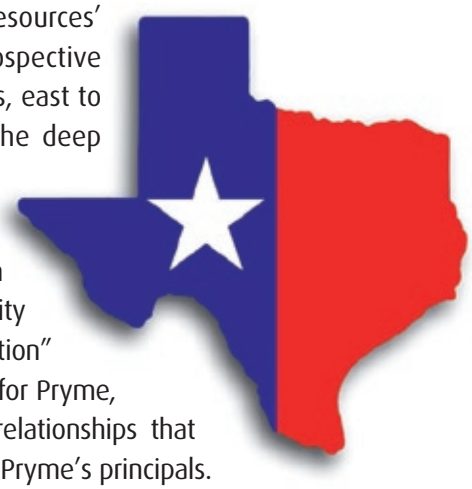
Bigger than Texas

At just under 700,000 sqkm, Texas is the second largest state in the US, accounting for 7.4% of the nation's total area. The "Lone Star State", tallying almost 23 million people, is the second highest next to California. The 2006 census named three of Texas' cities among the 10 most populated in the US. Texas is ranked as the nation's second-largest economy and home to the most Fortune 500 company headquarters in the US.

The state's oil and gas heritage is a massive contributor to its livelihood and a big attraction for a raft of oil and gas players. Chairman John Dickinson, himself a Texan, says: "Oil and gas producers the world over have been attracted to Texas for many reasons, mostly having to do with the state's favourable geology and economics.".

"The larger proportion of Texas' producing and prospective oil and gas zones have higher permeability, porosity and hydrocarbon saturation than most other states except Louisiana, and there are many more reservoirs to go after. "Production costs are generally lower (in Texas), fewer wells have to be drilled in order to drain equivalent ultimate recoveries of oil and gas, and the weather is conducive to more available drilling days.

"It is often said that oil and gas is 'an expanding resource base', meaning that as prices escalate, it becomes more economic to drill deeper reservoirs, drill targets of lower permeability and to produce older existing reservoirs for longer periods of time before abandonment. "Texas is a rich source of 'expanded resources' in this sense. Untested prospective horizons extend from West Texas, east to Louisiana, and all the way to the deep Gulf of Mexico region."



Texas today is home to hundreds of publicly-listed companies and an even greater (yet unknown) quantity of private ones. Such "congestion" can be a rich source of deal flow for Pryme, because of the many years of relationships that have been developed in Texas by Pryme's principals.

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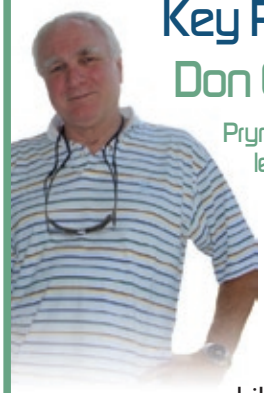

Key People: Don Ellison

Pryme's Advisory Director for Petroleum Engineering

Don is a registered Professional Engineer with 30 years of experience in the fields of reservoir evaluation and performance, drilling, well completions and production engineering. Complimentary activities include reservoir optimization and risk management plus extensive experience in gas transmission, compression applications and independent electric power project development. Activity areas include US, North and South America, Caribbean, Malaysia/Thailand/Indonesia, Eastern Europe, Asia, Africa.

He Initiated, financed, designed and implemented the installation and operations of a large vapor recovery system for the giant Romashkino oil field in Tatarstan Russia. The vapor recovery system gathered large amounts of very low pressure gas and returned it to the regional gas distribution system. The project was the 1st upstream JV between a Russian State oil company and a US oil company.

Don was Chief Engineer for the Nordan Trust, the operator for the O'Connor family of Southwest Texas. The O'Connors are the mineral and surface owners of over 800,000 acres of South Texas real estate making their landholdings the second largest in Texas. The oil and gas fields on O'Connor lands contain many giant fields. Job responsibilities included reservoir and production optimization, design and installation of a vast gas and oil network infra-structure including transportation and compression.

Don graduated from the University Of Missouri School Of Mines at Rolla, Missouri, where he obtained a Bachelor of Science Degree in Petroleum Engineering. He is a Registered Professional Engineer in the State of Texas. He is also a member of the Society of Petroleum Engineers. Don forms an integral part of Pryme as our Chief Engineer and through his extensive experience and knowledge in this field optimizes the best possible outcomes for Pryme projects.