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## Work Underway to Acidize Deshotels 20-H No.1

A completion rig has arrived on site to remediate and enhance the production capacity of the Deshotels 20-H No.1 well in the Turner Bayou Chalk project.

The horizontal leg of the well intersected multiple oil-bearing fracture zones as indicated by mudlog shows and oil and gas produced to surface while drilling. The remediation process will involve re-perforation of the larger fracture systems using a tubing conveyed perforation (TCP) gun, with the objective of achieving a deeper penetration of the formation, followed by the isolation and acidizing of the perforated sections to complete the well bore clean up, enable better communication between the perforated sections and the oil bearing Austin Chalk formation and potentially facilitate oil production at greater levels. Following remediation a flow test will be carried out to establish the flow capacity of the reservoir, the installation of the flow line will be completed and the well will be put into production.

Pryme is confident that the ultimate performance of the well will confirm its view that the Deshotels 20-H No.1 will be a significant oil producer which will provide an attractive financial return.

Shareholders will be kept informed as activities progress.

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

### Project Description

The Deshotels 20-H No.1 well, in Pryme's Turner Bayou Chalk project in the North Bayou Jack Field, is the first deep well to be drilled within the Turner Bayou 3D seismic survey. The well has been drilled to a depth of 16,400 feet (5,000 metres) vertically with a 3,755 feet (1,144 metre) horizontal leg through the Austin Chalk formation which is predominantly oil bearing in this region. The well location was confirmed using high resolution 3D seismic data from a survey carried out in 2007 and data from surrounding well bores.

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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