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Vertical Section of Deshotels 20-H No.1 Well Completed Preparation for Horizontal leg Underway

The vertical section of the Deshotels 20-H No.1 well in the Turner Bayou Chalk project has reached total depth of 16,400 feet (5,000 metres). A full set of logs has been run and is being evaluated prior to the kick off of directional drilling to establish the start of the horizontal leg.

Logging has confirmed the full section of the Austin Chalk formation as interpreted from the mud log and the 3D seismic survey. Several other formations of interest will be evaluated in due course.

The planned length of the horizontal leg is 4,500 feet (1,372 metres). The objective in drilling the horizontal leg is to intersect oil-bearing fracture systems within the Austin Chalk formation. The frequency and extent of these will determine the commercial potential of the well.

The well is still on schedule for drilling completion by mid October. If the result from drilling the horizontal leg is positive the well will be completed as a producing well and flow tested prior to the installation of production facilities.

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 metres) 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).