

Capitola Oil Project Reserves

HIGHLIGHTS

- 1.1 million BOE (proved and probable) certified reserves net to Pryme
- Demonstrates US\$12 million NPV10 to Pryme in current market

Pryme is pleased to provide details of its Capitola Oil Project 1P and 2P certified Reserves effective July 1, 2015.

In Summary, the Capitola Oil Project 1P and 2P Reserves are estimated to be 1.1 million barrels of oil equivalent with a NPV10 of US\$12.1 million. The estimates apply to approximately 16% of the Capitola Oil Project's 9,333 gross acres (based on 37 wells using 40 acre spacing), more extensive reserve estimates will be made after further field development.

The Reserves estimates shown below include 1P (Proved) and 2P (Probable) Reserves; they do not include 3P and contingent resource categories. Future net income to Pryme attributable to the Reserves has also been estimated and is shown in the table below.

The Reserves and future income estimates were determined by Hickman McClaine & Associates, Inc. (Hickman McClaine), Registered Engineers in the state of Texas, in accordance with the Society of Petroleum Engineers, 2007 Petroleum Resources Management System.

| Capitola Oil Project | | | | | | |
|----------------------|-----------|--|--------------------|-------------------------|--------------------------|-----------------|
| Reserve Category | # Wells | Net Remaining Reserves 1 July, 2015 | | | Future Net Income (US\$) | |
| | | Oil (MBBL) | Natural Gas (MMCF) | Oil Equivalent (MBOE)** | Undiscounted (000's) | NPV10* (000's) |
| Proved (1P) | | | | | | |
| Producing | 4 | 131 | 183 | 161 | \$5,198 | \$3,780 |
| Undeveloped | 10 | 190 | 319 | 242 | \$4,232 | \$2,084 |
| Proved (1P) | 14 | 321 | 502 | 404 | \$9,430 | \$5,864 |
| Probable (2P) | 23 | 552 | 1,038 | 723 | \$14,640 | \$6,189 |
| Total | 37 | 874 | 1,541 | 1,126 | \$24,070 | \$12,053 |

* NPV10 means net present value at a 10% discount

** Natural gas is converted to BOE on the basis of 6.1 Mcf of natural gas is equivalent to 1 BOE.

"We are very pleased with the inaugural reserve report from our Capitola Oil Project, even in this current commodity price environment," said Justin Pettett, Pryme's Managing Director. "We are currently trading



at cash backing of around A\$4 million with no value attributable to the Capitola reserves let alone the significant potential of our newly acquired Newkirk Project in the Mississippian, Oklahoma.”

“We remain focused on executing our operational strategy as we demonstrate the potential of the Newkirk project in the coming months and continue to increase our position in low cost, high margin basins throughout the United States.”

Reserve Methodology and Assumptions

Oil volumes are generally expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of standard cubic feet (MMCF) at 60 degrees Fahrenheit and the contract pressure base.

Net income is determined by deducting capital costs, operating expenses, severance and ad valorem taxes, and mineral owner royalties from revenue. The net present value of future income has been determined at a discount rate of 10% (NPV10).

Oil and gas prices are based on NYMEX crude oil (West Texas Intermediate) and the NYMEX natural gas (Henry Hub) five-year strip futures prices as of July 1, 2015. Oil price estimates range from US\$57.74 per barrel in 2015 to US\$65.85 per barrel in 2019 and thereafter. Natural gas prices range from US\$2.89 per MCF in 2015 to US\$3.51 per MCF in 2019 and thereafter. Oil and gas prices were adjusted for differences between the futures market commodity price and the wellhead netback price to account for product quality and transportation.

The barrel of oil equivalent (BOE) is a unit of energy based on the approximate energy released by burning one barrel (42 U.S. gallons or 158.9873 litres) of crude oil. One barrel of oil is generally deemed to have the same amount of energy content as 6.1 Mcf of natural gas.

Operating and capital costs are based on actual expenses, as provided by Pryme. Hickman McClaine did not confirm the accuracy of these expenses.

Reserve estimates were based on established performance trends, pore-volume analysis and analogy to similar fields. The reserves presented in this report are estimates only and should not be construed as being exact quantities. They may or may not be recovered and, if recovered, the revenues, costs, and expenses therefrom may be more or less than the estimated amounts.

Because of governmental policies, uncertainties of supply and demand, and international politics, the actual sales rates and the prices actually received for the reserves, as well as the costs of recovery, may vary from the assumptions included in this report. In addition, estimates of reserves may increase or decrease as a result of future operational decisions, mechanical problems, the price of oil and gas and / or economic limits due to the latter.

All reserve estimates have been carried out in accordance with sound engineering principles and generally accepted industry practice. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering data and all conclusions only represent informed professional judgments.



The titles to the properties have not been examined by Hickman McClaine, nor has the actual degree or type of interest owned been independently confirmed. The data used in the estimates were obtained from Pryme and from other sources which provide publicly accessible data and are considered accurate.

Reserve Certification

The information in this report has been compiled by the President of Hickman McClaine & Associates Inc. of Midland Texas, Stephen J. McClaine, who has over 30 years experience in petroleum engineering. Mr. McClaine holds a Bachelor of Engineering Degree in Petroleum Engineering from Texas Tech University. He is a member of Society of Petroleum Engineers and the West Texas Geological Society.

Mr McClaine consents to the inclusion of the estimated hydrocarbons in place in the form and context in which they appear. The reserve and resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resources Management System, 2007. Further information is available at www.spe.org.

Mr. McClaine has been commissioned as an independent consultant to Pryme and has no interest in Pryme securities nor has any interest in any of the projects in which Pryme is involved.

About the Capitola Oil Project

The Capitola Oil Project is located in an active region of the Eastern Shelf of the Permian Basin just north of the town of Sweetwater, Texas. The project contains a number of shallow, "stacked" formations to depths of 7,500 feet, with established oil production history from vertical wells. The Capitola Oil Project acreage is contained within two contiguous lease blocks referred to as Sweetwater (approx. 7,000 acres) and Claytonville (approx. 2,333 acres) to the north of Sweetwater.

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Forward looking statements

This report contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to oil and gas prices and foreign exchange rate movements; estimates of future oil and gas production and sales; estimates of future cash flows, the sensitivity of cash flows to oil and gas prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of reserves and statements regarding future exploration results and the replacement of reserves; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to oil and gas price volatility, currency fluctuations, increased production costs and



variances in reserves or recovery rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Glossary

| | | | |
|----------|------------------------------------|-----------|--|
| \$ | Australian Dollars | Mcf | Thousand cubic feet (of natural gas) |
| US\$ | United States Dollars | Mcfd | Thousand cubic feet (of natural gas) per day |
| Bbls/day | Barrels (of oil) per day | MMcf | Million cubic feet of natural gas |
| MBO | Thousand barrels of oil | NRI | Net revenue interest |
| MMBO | Millions barrels of oil | WI | Working interest |
| MBOE | Thousand barrels of oil equivalent | TVD | Total vertical depth |
| MMBOE | Millions barrels of oil equivalent | TMD | Total measured depth |
| BOE | Barrels of oil equivalent | MD | Measured depth |
| BOE/day | Barrels of oil equivalent per day | 3.28 feet | Equals 1 metre |
| EUR | Estimated Ultimate Recovery | | |