



20 December 2011

Rabalais 35 No.1 Drilling Update Turner Bayou Chalk Project

The Turner Bayou project is a significant part of Pryme's exploration portfolio and comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Primary targets are the Wilcox formation at 12,500 feet, the Austin Chalk at 15,300 feet and the Eagle Ford and Tuscaloosa Marine Shales at 16,000 feet. Pryme has approximately 9,600 net acres within the Turner Bayou project covering all depths representing up to 30 potential drilling locations in the Austin Chalk alone.

Rabalais 35 No.1 (8.8% Working Interest / 6.6% NRI)

Drilling of the lateral section of the Rabalais 35 No.1 well in North Bayou Jack Field has commenced. At the time of this report drilling is part way through the transition from the vertical to the horizontal section of the well bore at a current measured depth of 14,800 feet (4,510 metres.)

The Rabalais 35-1 well will be drilled to a vertical depth of approximately 14,850 feet (4,525 metres) with a 7,000 foot (2,130 metre) lateral through the Austin Chalk formation, for a total measured depth of approximately 22,000 feet (6,705 metres). Drilling of the well commenced on 10 November and completion is estimated to be achieved in January 2012. The operator is Anadarko E & P Company.

For further information please contact:

Justin Pettett
Managing Director
Pryme Energy Limited
Telephone: +61 7 3371 1103

Ryan Messer
Chief Operating Officer
Pryme Energy Limited
Telephone: +1 713 401 9806

Website: www.prymeenergy.com

ASX Code: PYM

OTCQX Code: POGLY

Competent Person Statement

The information contained in this announcement has been reviewed by Mr Greg Short, BSc. Geology (Hons), a Director of Pryme who has more than 33 years' experience in the practise of petroleum geology. Mr Short reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org.

Austin Chalk Initial Potential Rates

Operator	Well	Oil (bopd)	Gas (mcf/d)	Water (bwpd)
Anadarko Petroleum	Lacour 43-1	3,000	2,500	600
Atinum Operating, Inc	Briggs Alt. No.1	2,184	6,795	3,276
Nelson Energy	Deshotels 13H No.1	1,167	644	350
Anadarko Petroleum	GASRS 5 No.1	1,073	12,663	5,465
Anadarko Petroleum	Dominique 27 No.1	753	1,151	1,484
Nelson Energy	Deshotels 20H No.1	600	458	0
Anadarko Petroleum	GASRS 18 No.1	500	7,000	6,672
Anadarko Petroleum	GASRS 16 No.1	203	1,127	259

Source: Louisiana Department of Natural Resources www.sonris.com

Austin Chalk Regional Trend Map and Project Location

