

Turner Bayou Operational Update

Pryme Energy Limited (Pryme) provides the following update on operations at its Turner Bayou project in Louisiana, USA.

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 the Austin Chalk formation at 15,300 feet and the Eagle Ford formation at 16,000 feet.

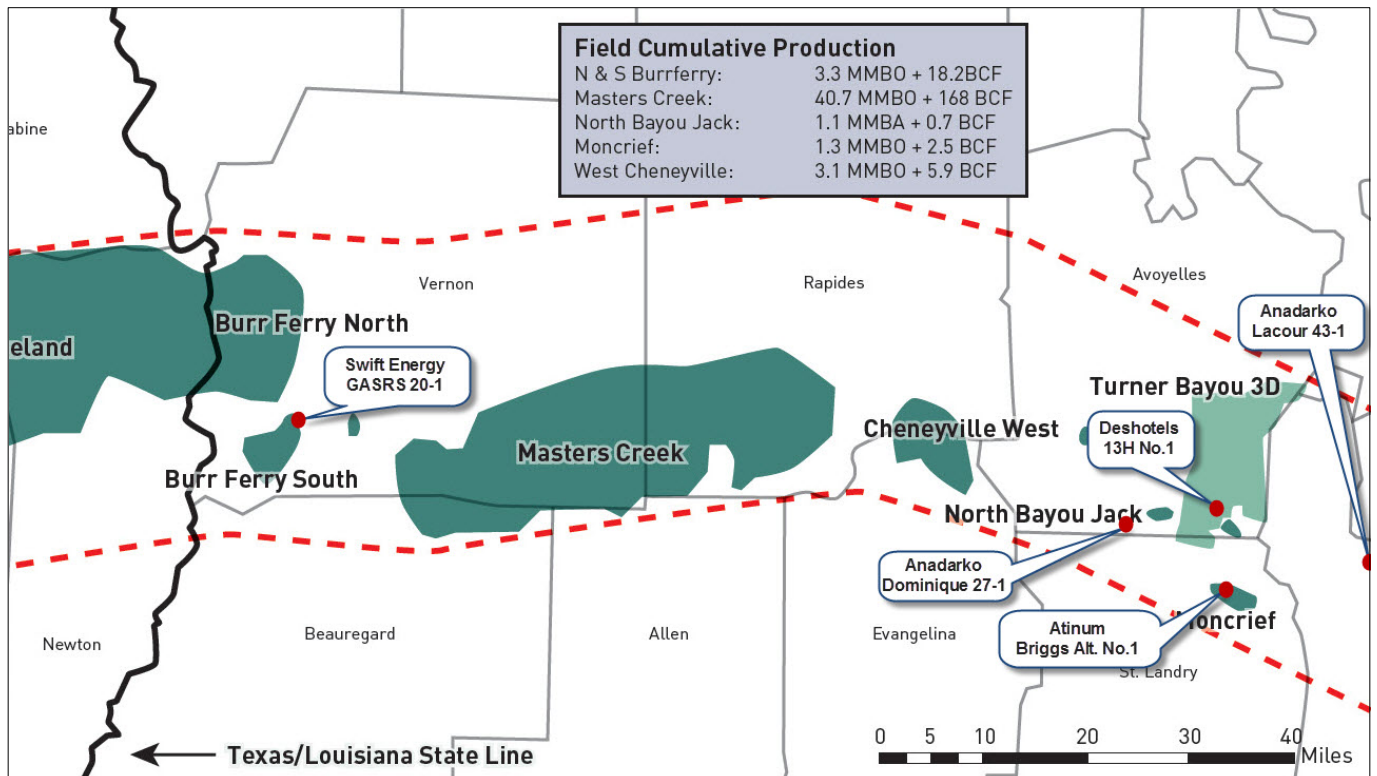
Deshotels 13H No.1 (40% Working Interest / 30% NRI)

The larger drilling rig that will be used to drill the remainder of the vertical section of the well and the horizontal leg is currently mobilizing to site and is expected to begin drilling next week.

The well will be drilled to a vertical depth of 15,000 feet (4,570 metres) with a 4,000 feet (1,220 metres) lateral through the Austin Chalk formation. The total measured depth of the well will be 19,000 feet (5,790 metres.) It is estimated that it will take approximately 2 months to reach target depth (early August.)

Austin Chalk Drilling Activity Intensifies

Anadarko Petroleum has commenced drilling its first Austin Chalk well on trend and near Turner Bayou. The Dominique 27-1 (see map below) will be drilled to a vertical depth 16,500 feet (5,030 metres) and a total measured depth of 23,200 feet (7,070 metres.)





“Drilling activity in and around Turner Bayou is increasing with Anadarko Petroleum drilling its first Austin Chalk well close to our project boundary,” said Justin Pettett Pryme’s Managing Director. “Anadarko has also permitted several additional wells on trend with Turner Bayou which indicates its strong interest in the area.”

Regular weekly operational updates on Turner Bayou and the drilling of the Deshotels 13H No.1 well will now resume.

About Anadarko

Anadarko is one of the world’s largest independent oil and gas exploration and production companies, with approximately 2.3 billion barrels of oil equivalent (BOE) of proved reserves and production of 206 million BOE as of December 31, 2009. Anadarko employs a worldwide workforce of about 4,000 people and is headquartered in The Woodlands, Texas. Anadarko is publicly traded on the New York Stock Exchange and has a market capitalisation of US\$37 Billion at the time of writing.

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