

ASX: PYM OTCQX: POGLY

Experienced Management Team
Predictable Exploration Environment
Poised for Growth

Investor Presentation
30 June 2014



Disclaimer, Forward Looking Statements and Competent Person Statement

This presentation has been prepared by Pryme Energy Limited (the “Company” or “Pryme”). This presentation is being provided to investors for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of the Company. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in the Company.

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Prospective investors should make their own independent evaluation of an investment in the Company or seek advice from their financial adviser, accountant, lawyer, stockbroker or other professional adviser. Nothing in this presentation should be construed as financial product advice, whether personal or general, for the purposes of Section 766B of the Corporations Act, or otherwise. This presentation does not amount to, involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product.

Reserves or prospective resources have been prepared by Mr Robert H. Patterson, a petroleum engineer who is a qualified petroleum reserves and resource evaluator as defined under ASX Listing Rule 5.41. Mr Patterson holds a Bachelor of Science in Chemical Engineering and has over 30 years experience in engineering studies, evaluation of oil and gas properties, drilling, completion, production and process engineering of oil and gas operation and evaluation of properties in the USA. Mr Patterson has consented to the use of the reserve and/or prospective resource figures in this presentation. Mr Patterson is a member of the Society of Petroleum Engineers and is a registered Professional Engineer in the state of Texas.

Technical information contained in this presentation in relation to the projects of the Company have 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 consents to the inclusion in this presentation of the information in the form and context in which it appears.



Key Highlights

Pryme Energy Limited (ASX: PYM OTCQX: POGLY) is a publicly listed exploration and production company, operating out of Houston, Texas with corporate offices in Brisbane, Australia and additional technical and specialised resources located in Midland, Texas.

- Early stage rapid growth company
- Focus on oil and liquid rich gas
- Underpinned by stable production in Louisiana
- Permian Basin, Texas the new focus
- Targeting shallow, low risk vertical well exploitation in Capitola Oil Project to generate growth
- Exposure to emerging Cline Shale resource play being actively pursued around Capitola acreage
- Experienced management and operating team located in Houston and Midland, Texas



Pryme Capitalisation Summary

ASX Code	PYM
OTCQX Code (American Depositary Receipts)	POGLY
Shares on issue (following rights issue)	344,453,990
Market capitalisation	A\$5.8 million
Share price range (12 months)	A\$0.012-A\$0.037
Current Price (20 June 2014)	A\$0.017 per share
CY2013 net revenue to Pryme	A\$2.4 million
Annual corporate overheads	A\$1.2 million
Cash position (30 April 2014)	A\$1.2 million
Amount to be raised under the Offer (up to)	A\$5.2 million
Proven Reserves (NPV10)	US\$10.4 million
Proven Reserves (Undiscounted)	US\$14.5 million



Rights Issue (Offer)

- A 3 for 2 renounceable rights issue at 1.0 cent per share (Rights Issue) to raise up to approximately A\$5.2 million to be invested primarily into the Capitola Oil Project drilling program.
- Subscribers will receive 1 free attaching listed option exercisable at 2.0 cents with a 2 year expiry for every 2 shares subscribed (Attaching Option).
- \$4.0 million of the Rights Issue is underwritten by Patersons Securities Limited.

Pryme Capitalisation Summary – Post Rights Issue

The capital structure of Pryme following the Rights Issue assuming full subscription could be as follows:

	Shares	Options ¹
Existing Securities	344,453,990	-
New securities issued under Rights Issue	516,680,985	258,340,493
Sub-Underwriter Options ²	-	258,340,493
Total	861,134,975	516,680,985

- Options exercisable at 2.0 cents with a 2 year expiry date. Application will be made to the ASX for quotation of these Options.
- Under the proposed underwriting arrangements, subject to shareholder approval, sub-underwriters will be granted one (1) Option for every two (2) Rights Issue shares underwritten by Patersons.

Post Rights Issue it is also proposed that Pryme issue:

- 46,245,422 Pryme shares, for no consideration, to subscribers in the Company's March 2014 Rights Issue (in order to recalibrate the effective issue price to 1 cent per share to bring it into line with the Rights Issue).
- 90,738,040 Management Options, on the same terms as the Attaching Options (exercisable at 2.0 cents with a 2 year expiry date), subject to shareholder approval. The Management Options will vest upon the satisfaction of various performance hurdles (refer slide 9).

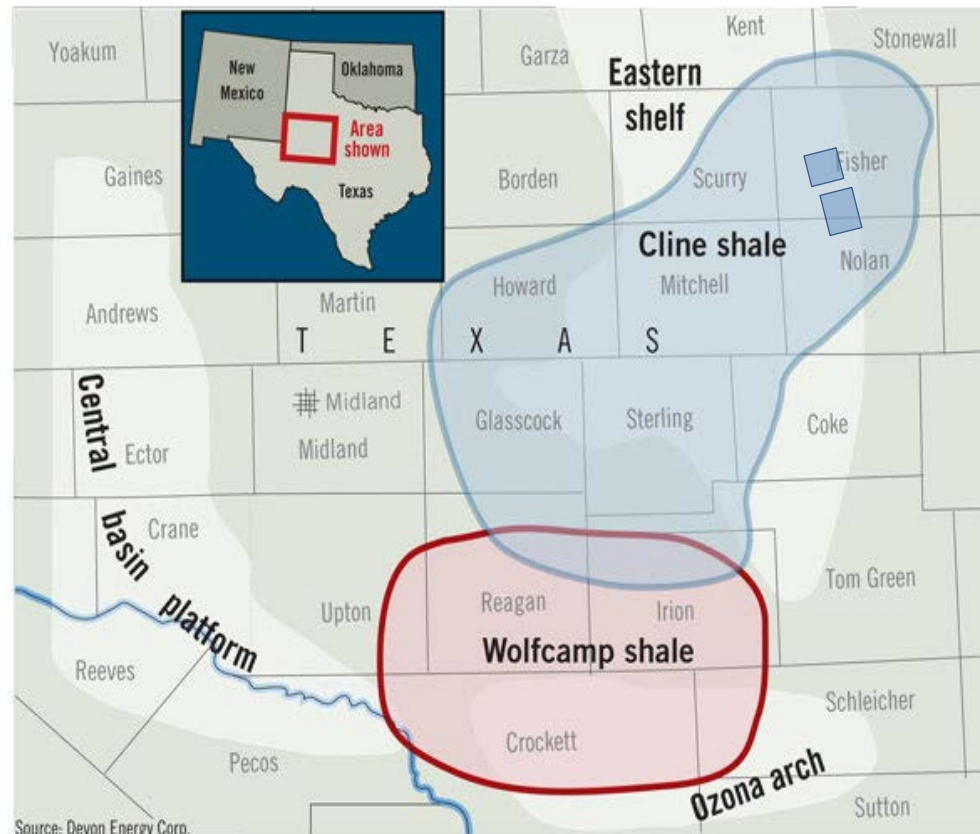


Capitola Oil Project - Permian Basin, TX

- Located in the west central region of Texas at the edge of the Eastern Shelf of the Permian Basin
- The farm-in provides up to 75% WI, 56.25% NRI (50% WI in the Cline Shale) in 9,333 acres of oil and gas leases with multiple objectives
 - Breckenridge Lime
 - Flippen
 - Canyon Sands
 - Caddo/Odom (Strawn)
 - Cline Shale
 - Ellenberger
- Other operators in region have leased very large tracts of minerals and are drilling many wells in the Cline Shale and other objectives with great success including Devon, Range Resources, Laredo, Firewheel, Gunn
- Acreage located in existing Sweetwater and Claytonville oil fields
- Low risk development play with production and well data
- Exploiting 'well defined' new targets with more advanced completion and stimulation technology
- Over 150 wells drilled throughout Capitola acreage; several millions of barrels of remaining recoverable oil from existing, produced fields

“Significant upside in a proven oil play for Pryme and its shareholders” Justin Pettett, Managing Director

PERMIAN BASIN SHALE FORMATIONS



Capitola Oil Project acreage shown in blue rectangle in Fisher and Nolan Counties, Texas

Capitola Oil Project – Multiple well targets

Pryme will earn a 75% WI (56.25% NRI) in all depths to the top of the Cline Shale formation in the 9,333 acres project area (7,000 net acres to Pryme) and a 50% WI (37.5% NRI) in the Cline Shale and deeper formations (4,666 net acres to Pryme in the Cline Shale) providing Pryme shareholders with the optimum balance of risk versus reward

3 Primary Targets (shallow circa 6,000 feet)

- Breckenridge Lime – (Higher risk huge shallow oil upside potential) — old logs indicate porosity and hydrocarbons, but not proven producer. Could provide substantial upside if commercial flows are proven
- Canyon Sands - (Low risk foundation of production and cash flow) — down spacing existing produced oil reservoirs and comingling oil and gas shows - old fields, lots of well data, proven producers within acreage
- Cline Shale - (Medium risk no cost option for Pryme) — being drilled by large offset operators, gives Pryme options for farm out or a significant potential liquidity event in the near future (without Pryme spending money on it)

Well Characteristics	Potential Locations*	Well Costs (USD)**	BOE/day IP Range	EUR (BOE)	Estimated NPV10 ^{###} Per Well (Mid-Case [#])
Breckenridge Lime	Up to 200	\$850,000 - \$950,000	60 - 140	50,000 – 140,000	US\$1.1 million
Canyon Sands					
Cline Shale	Up to 60	\$6,600,000	120 - 710	100,000 – 600,000	US\$3.4 million

*Based on 40 acre spacing for vertically drilled wells and 160 acre spacing for horizontally drilled wells

**Well costs include drilling, stimulation and completion costs including surface facilities and production equipment

Mid-case for Breckenridge Lime and Canyon Sands based on 87BOE/day IP and 87,000BOE EUR. Cline Shale based on 340BOE/day IP and 376,000BOE EUR.

Net present value with a 10% discount net to Pryme using typical decline production curves from actual production a US\$90 per barrel oil price and US\$4 per Mcf natural gas price flat for the life of the well

Capitola Oil Project - Potential

Development Strategy

- Drill low risk vertical wells (circa 6,000 feet in depth) to build production, cash flow and HBP acreage (all depths)
- Leverage large offset operators (Devon, Range) drilling the Cline Shale to increase Prymes Cline Shale value
- Exploit shallow oil potential in the Breckenridge Lime at circa 4,500 feet (upside potential bigger than Cline)
- Additional upside exists in at least 4 other intervals which have not been quantified in this analysis and produce in the immediate area
- Multiple “stacked” conventional targets with Cline Shale upside (large independents currently proving up play)

Independent resource potentials

Recoverable Oil*	Low estimate	Best estimate	High estimate	Fractional recovery**
Breckenridge Lime	1.4 MMBOE	19.2 MMBOE	49.8 MMBOE	12.5%
Canyon Sands	6.9 MMBOE	8.7 MMBOE	10.6 MMBOE	18.0%
Cline Shale	0.8 MMBOE	5.9 MMBOE	13.8 MMBOE	6.0%
Total (BOE)	9.1 MMBOE	33.8 MMBOE	74.2 MMBOE	

*Recoverable Oil calculated by determining Remaining Oil in Place and applying a fractional recovery percentage as at the date of this presentation. All figures are net to Pryme and have been determined using deterministic method for the Canyon Sands and probabilistic method for the Breckenridge Lime and Cline Shale under SPE-PRMS. Natural gas is converted to BOE on the basis of 6 Mcf of natural gas is equivalent to 1 BOE.

**Fraction recovery is calculated 1) Breckenridge Lime assumes general accepted recovery for solution gas drive reservoir, 2) Canyon Sands by material balance calculations, and 3) Cline Shale assumes generally accepted recovery for unconventional resource plays.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Pryme confirms in this subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement made on 11 February 2014 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Capitola Oil Project - Alignment of Interest to Shareholders

Capitola Earn Terms

- Earn in structure provides Pryme shareholders with the optimum balance of risk versus reward
- Pryme is operator of the project and will earn its interest by drilling 9 vertical wells and 1 horizontal well into the stacked formations on a well by well basis in a phased drilling program through to February 2016
- Each well drilled by Pryme will earn 7.5% of 9,333 acres (or 700 net acres) to all depths from the surface to the top of the Cline Shale and 5.0% of 9,333 acres (or 466 net acres) in all depths from the top of the Cline Shale and deeper.
- **The commitment to drill wells and the payment of cash through to February 2016 is at the sole discretion and option of Pryme aligning payments to the vendor to the success of the project**

Pryme Management

- Pryme's management are incentivised to grow the Company and deliver results to shareholders through an incentive options plan (Management Options)
- The Management Options are on the same terms as shareholders Attaching Options and are subject to shareholder approval and meeting certain performance conditions as outlined below:
 - **Tranche 1 (25% of Management Options vest) – 200 BOE/day in production**
 - **Tranche 2 (25% of Management Options vest) – 1.0 MMBOE of 2P reserves**
 - **Tranche 3 (25% of Management Options vest) – 2.0 MMBOE of 2P reserves**
 - **Tranche 4 (25% of Management Options vest) – 700 BOE/day in production**

Notes:

- Performance conditions set out above are net to Pryme's interest in the Capitola Oil Project
- Production performance condition must be a 30 day average
- Reserves performance condition to be reflected in an independent reserve report based on Society of Petroleum Engineers (SPE) guidelines
- Natural gas conversion into BOE calculated as 6.1 thousand cubic feet (Mcf) to 1 barrel of oil equivalent
- 2P reserves calculated as proven and probable reserves combined

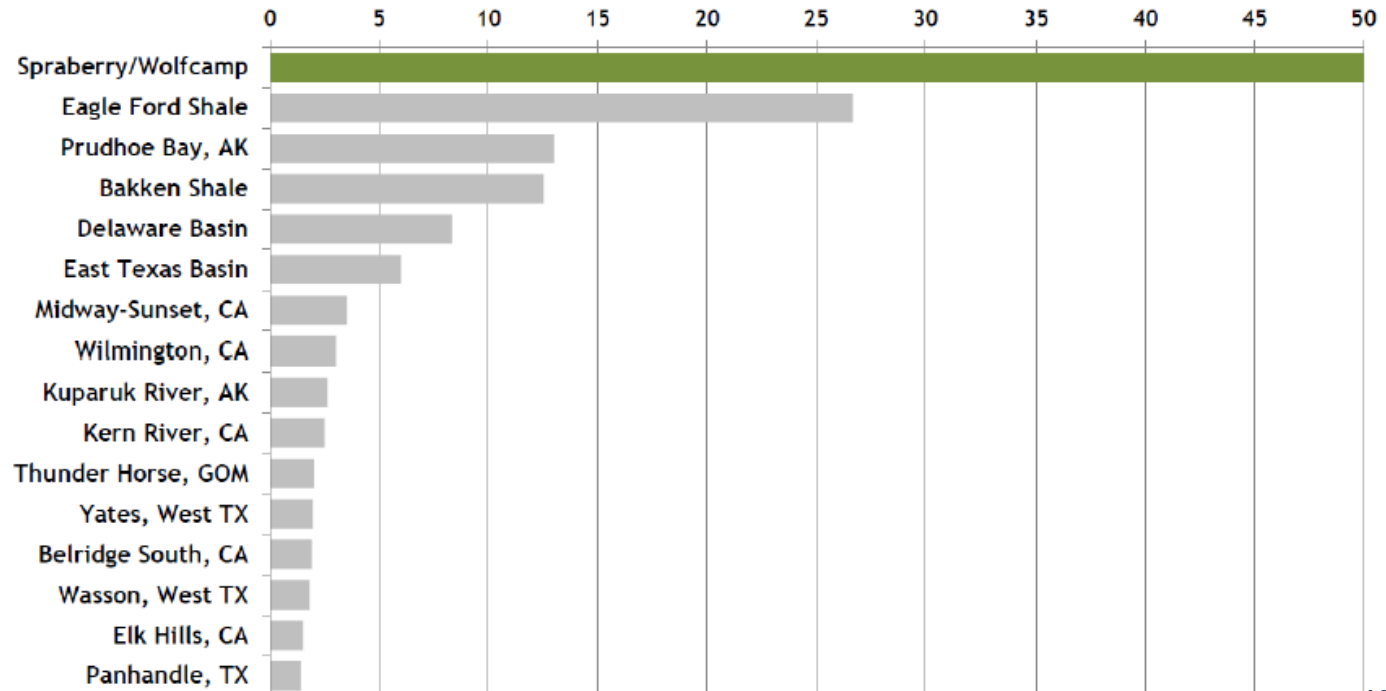


Why Focus on the Permian Basin?

- Most active basin in the United States
- The basin is the largest resource in the U.S. (rig count and recoverable resources)
- Predictable vertical well economics – “stacked pays”
- Increased use of enhanced recovery practices has produced substantial impact on U.S. oil production making up 71% of all oil production in Texas and 17% of total U.S. production
- According to consultants, Bentek Energy, production in the Permian Basin is estimated to grow 60% between now and 2016, reaching a total of 1.8 million barrels per day

Estimated Recoverable Resource* (BBOE)

Spraberry/Wolfcamp (Permian Basin) is the largest resource in the U.S.



*Cumulative production + estimated recoverable resource. Source DOE, EIA, ITG and other sources

Capitola Oil Project – Multiple Vertical Well Opportunities

Low Risk Development Objectives (“down-spacing” opportunities in Canyon Sands)

- 4900 Foot Sand MD 4,900 feet (Proved) – secondary objective
- 5200 Foot Sand MD 5,200 feet (Proved) - primary target, 1.8 MMBO gross remaining recoverable (1 MMBO net to Pryme)
- A-D Canyon Sands MD 5,200 feet (Proved) - primary sand target, 2.0 MMBO gross remaining recoverable (1.125 MMBO net to Pryme)

Exploiting untested sands with shows (comingle with “down-spaced sands”)

- Upper Sand MD 5,000 feet (oil and gas shows) – Sweetwater block
- Lower Sand MD 5,500 feet (untested) - will test at Sweetwater’s south block
- Lower Sand MD 5,500 feet (tested live oil) - Claytonville block - multiple show wells, offset operator having great success in this zone

Secondary Recovery Potential at Claytonville block (“water flood” Canyon Sand)



- 5200 Foot Sand MD 5,200 feet (Proved) - primary target, 1.8 MMBO gross remaining recoverable (1 MMBO net to Pryme)
- Will acquire core data and run analysis and feasibility study on results

Breckenridge Lime MD 4,500 feet (vertical and horizontal completion opportunities)

- Productive in several fields in Nolan County
- Carbonate encased in shale just above Canyon Sands
- Shelf edge feature - porosity and resistivity development along shelf edge - potential fracturing
- Will acquire cores in initial wells of development to answer permeability question

Local Stratigraphic Column

SYSTEM	STAGE	GROUP		
Permian	Wolfcamp	Tannehill		
		Saddle Creek		
		Flippen		
		Crystal Falls		💧
Pennsylvanian	Virgil	Cisco Group	King	💧
			Breckenridge	
			Gunsight	
			Swastika	
	Missouri	Canyon Group	Home Creek	
			Ranger	"Canyon Sands" 💧
			Winchell	
			Palo Pinto	
			Cross Cut	
			Morris	"Cline" 💧
	Des Moines	Strawn Group	Capps	
			Fry	
			Jennings	
Gardner				
Gray				
Odom			💧	
Atoka	Bend Group	Caddo	💧	
		Big Saline		
		Marble Falls		
Morrow				
Mississippian	Chester			
	Meramec	Barnett		
	Osage	Chappel		
Ordovician	Upper			
	Middle			
	Lower	Ellenburger	💧	
Cambrian	Upper	Wilberns		
		Hickory		
	Granite Wash			
PreCambrian				

 Produces in the area
 Primary objectives

Capitola Oil Project – Vertical Well Activity

Capitola – Shallow (75% WI, 56.25% NRI in 9,333 acres (7,000 net acres to Pryme) to all depths above the Cline Shale)

- Phase 1 - drilling of two wells planned for Q3 2014
- Phase 2 - drilling of three wells planned for Q4 2014

Strong endorsement for Capitola’s acreage evidenced by:

- Increasing nearby vertical well activity with great initial results, including Gunn’s recent permit 1 mile north of Claytonville block
- Gunn and others having success comingling multiple intervals in vertical completions nearby

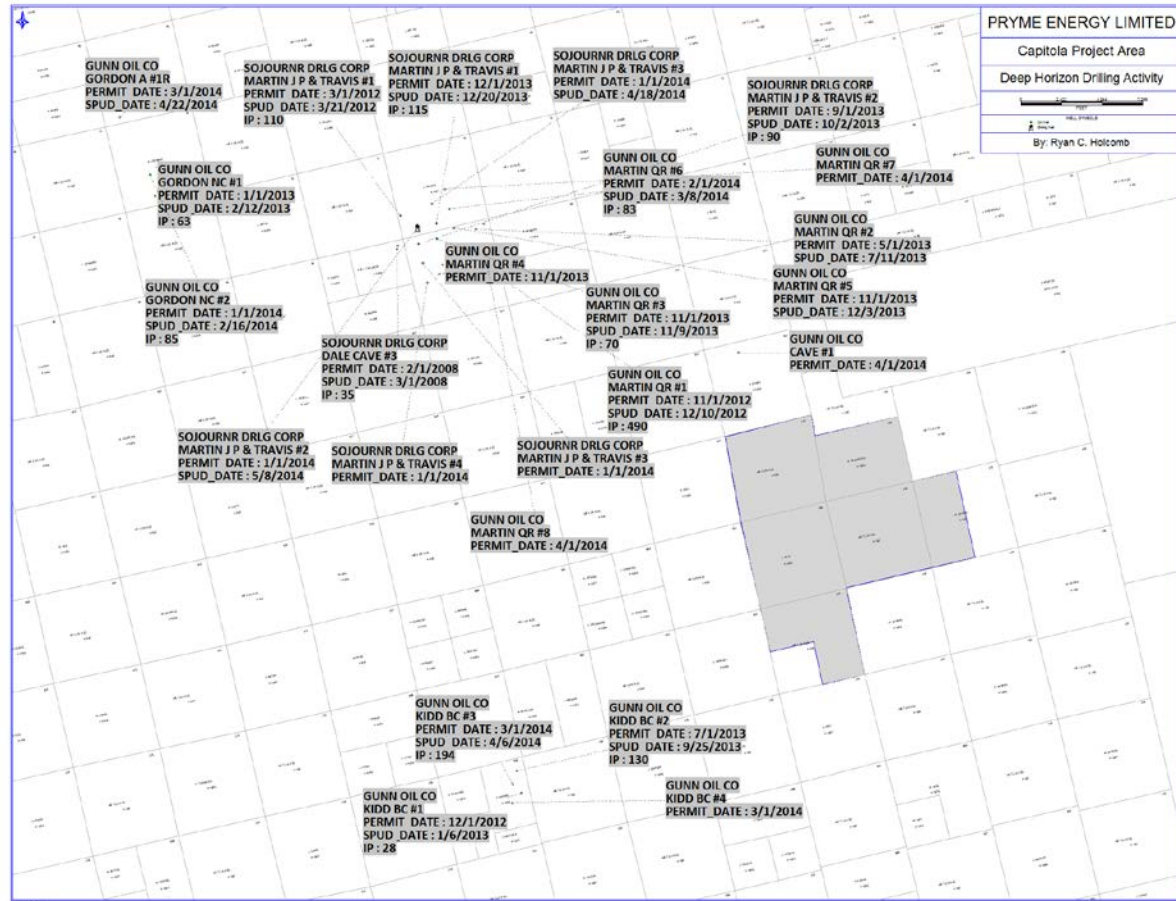
Pryme will leverage relationships to exchange operational and geologic data – reduces learning curve

Primary Targets

- Breckenridge Lime
- Canyon Sands
- Cline Shale

Secondary Targets

- Flippen
- Caddo/Odom (Strawn)
- Ellenberger



Pryme’s Claytonville block with local vertical activity, mainly driven by Gunn Oil

Capitola Oil Project - Cline Shale

- Analysts calculate the Cline Shale as roughly 140 miles long and 70 miles wide and liken it to the next Eagle Ford or Bakken play with more recoverable oil and gas than both combined
- Also referred to as the Three Fingers Black Shale
- High Total Organic Content (TOC) 2-8%
 - Approximately 5-6% average TOC on Pryme acreage
- Porosity of 3-12%
- Natural fractures aid production
- Shallow at 6,000 feet (1,828 metres)
- Formation thickness of 200-500 feet (60-150 metres)
- Light sweet crude generally 38-42 gravity
- 85% oil and liquids-rich gas



Devon McCall Cline Well Flare (within 2 miles of acreage)



Production facilities on the
Devon Bishop 1H Cline Shale
well



Capitola Oil Project – Cline Activity

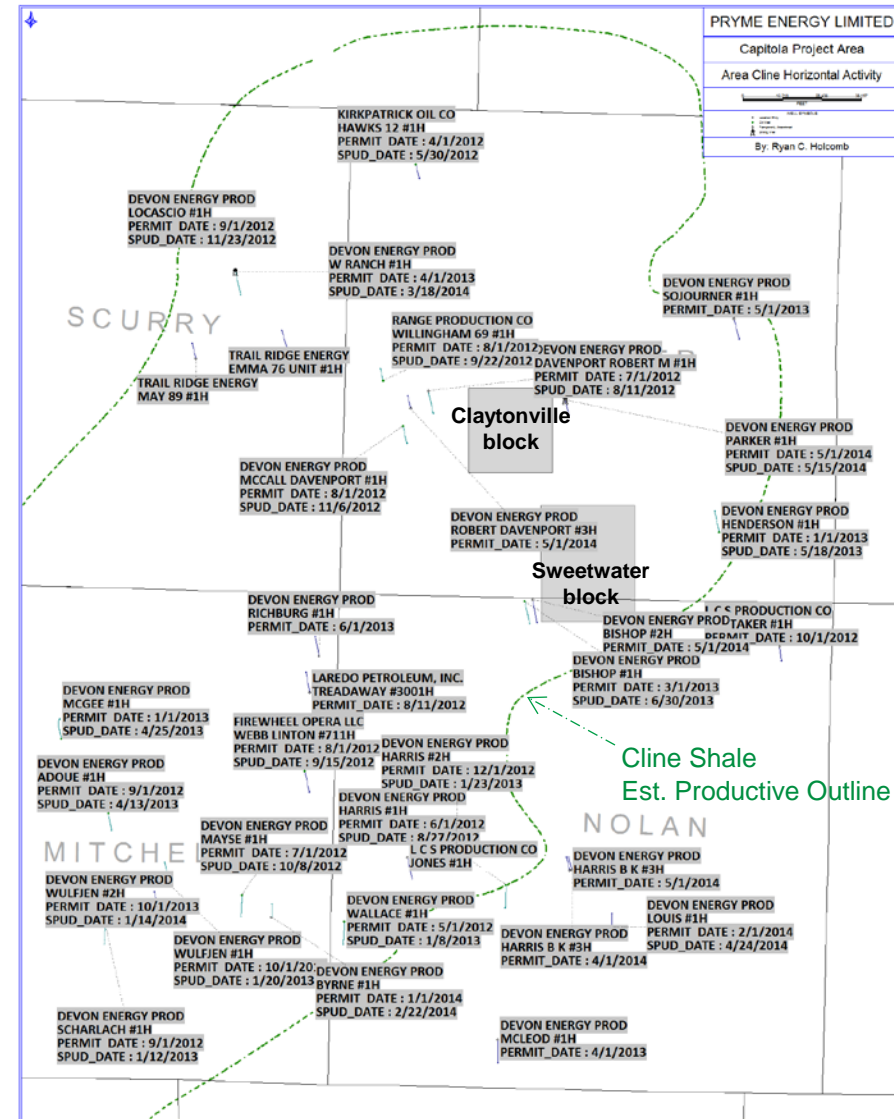
Capitola - Cline (50% WI, 37.50% NRI in 9,333 acres (4,666 net acres to Pryme) to the Cline and deeper)

Continued endorsement for Capitola's acreage evidenced by recent activity:

- Devon Energy recently applied for three additional Cline Shale wells around Capitola.
- Devon permitted a direct offset to Bishop 1H well (1 mile west of Pryme acreage, road and location work underway)
- Devon currently drilling Parker 1H well (2 miles east of Pryme)
- Devon recently permitted Harris 3H well (8 miles south-west of Pryme)



Devon Parker 1H well, currently drilling for Cline Shale 2 miles from Pryme acreage



Capitola Oil Project - Project potential

- Significant upside in a proven oil play for Pryme and its shareholders
- Multiple “stacked” conventional targets with Cline Shale upside (large independents currently proving up play)

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Capitola Oil Project - Objectives

Stage I Objectives

- Vertical wells in productive fields - establish production from known productive sands
- Testing prospective intervals with shows including the Cline Shale
- Take core and log data from prospective intervals on each of the two acreage blocks
 - Evaluate sands to complete field study on redevelopment opportunity
 - Evaluate Breckenridge Lime and Canyon Sands for horizontal completions
 - Learn from surrounding Cline activity and compile data on Cline penetrations on acreage

Stage II Objectives

- Vertically develop infill locations in Canyon Sands
- Develop Upper & Lower Canyon Sands
- Possible test in Breckenridge Lime
- Vertically develop Cline Shale if feasible

Stage III Objectives

- Horizontal well development in the Cline Shale – longer term strategy depending on neighbours' Cline shale success
- Horizontal well development in Canyon and Breckenridge



Typical Capitola vertical well lift system

Capitola Oil Project – Near Term Objectives

- First drilling scheduled to begin within 60 days of funding secured
- Two wells planned for Q3 2014 with a further three wells in Q4 of 2014

OBJECTIVES		3Q'2014	4Q'2014	1Q'2015	2Q'2015
PHASE 1	Lease payment (US\$750,000)	■			
	Drill well #1		■		
	Drill well #2		■		
PHASE 2	Lease payment (US\$750,000)	■			
	Drill well #3		■		
	Drill well #4		■		
	Drill well #5			■	
PHASE 3	Lease payment (US\$750,000)			■	
	Drill well #6			■	
	Drill well #7				■
	Drill well #8				■
PHASE 4	Lease payment (US\$1 million)				■
	Drill well #9				■
	Drill well #10				■

Investment Summary

Pryme's key drivers:

- Stable existing oil production and reserves
- Capitola: low risk + scalable + upside = growth
- Demonstrated ability to find/transact growth assets
- Experienced Board and Management
- Focused on delivering significant year-on-year share price growth



Capitola Oil Project

Low risk development project with exploration potential
Oil prolific Permian Basin, Texas
9,333 acres within existing, proven oil fields*
Low risk/low cost vertical production wells - Step-out and down spacing opportunities from wells drilled in known proven sands
Multi-stacked reservoir – target 10 potential productive intervals
Ability to comingle reservoirs to enhanced economics
Scalable development potential (200+ wells based on 40 acre spacing)
Secondary water/gas flood recovery opportunity at Claytonville



Emerging Cline Shale play upside – Future Sale or Farm-out
Developing Resource “shale” play - Texas 140 mi long and 70 mi wide
Analysts estimate it to be larger than the Bakken Shale in North Dakota and the Eagle Ford Shale in South Texas combined
Early mover advantage for Pryme
Area of strong activity: Devon Energy, Apache, Range Resources and Laredo Petroleum
Pryme acreage offset to Devon Energy's best producing Cline Shale well in region (Bishop 1H)
Recent Devon wells in close vicinity to Capitola a strong endorsement: Bishop 2H well (1 mi), Parker 1H well (2 mi), and BK Harris 3H well (8 mi)

*Sweetwater field has produced approx. 4.5 MMbbl of oil; Claytonville field has produced 1.5 MMbbl of oil; over 150 previous well bores within Pryme's Capitola acreage



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BML (crude oil purchaser) hauling oil from the Gunn Oil Martin tank battery NW of Capitola

Appendices – Further Capicola Information, Risk Factors & Glossary

Experienced Board and Management Team

Justin Pettett (Managing Director, CEO)

- Pryme's founding CEO since April 2006.
- 19 years professional experience, 13 years in U.S. E&P industry with over 180 wells drilled throughout Gulf Coast U.S. resulting in field discoveries
- Managed private U.S. based start-up company which grew to over 500 Bbls per day and divested to local operator
- Member of American Association of Petroleum Geologists and Australian Institute of Company Directors

Greg Short (Technical Director, Geology)

- 33 years with Esso/Exxon Mobil in production and operations and 15 years in management positions
- Head of Exxon U.S. Gulf Coast exploration activities. Very strong technical background in exploration, development and production, geoscience, exploration operations and management
- BSc. (Geology) (Hons) from the University of New England

Ryan Messer (Executive Director , COO)

- Pryme's founding COO since April 2006
- 20 years business experience, 13 years in U.S. E&P industry. Operations specialist with technical teams spread across 5 active U.S. basins and over 180 tests
- Managed team that led discovery of eight new fields in Louisiana
- Business Administration (BS BA) , majoring in Marketing and Finance. Continuing education in engineering and economics - Colorado School of Mines

George Lloyd (Chairman)

- Over 25 years senior management, listed company focused in the resources and energy sectors
- Extensive experience in corporate strategy, M&A and exploration management
- Bachelor of Engineering and a Master of Business Administration from the University of New South Wales. Graduate of Stanford University

Demonstrated ability to find and transact growth assets



Experienced Board and Management Team

Ryan Holcomb (Petroleum Engineering)

- Over 10 years direct experience in the Permian Basin, Texas. Focus on operations, secondary recovery implementation and facility design.
- Worked for Pioneer Natural Resources performing operational and reservoir engineering services and Whiting Petroleum as operations engineer from 2006.
- Based in Midland, Texas, Ryan is the lead engineer for the Capitola Oil Project.

James Turbyfill (Project Geologist)

- AAPG Certified Petroleum Geologist with over 30 year's Permian Basin geologic experience
- Has worked with several independent oil companies exploring for and developing fields throughout the Permian Basin with a focus on the Eastern Shelf of the Permian Basin
- Bachelor of Science (Geology) Western Carolina University
- Based in Midland Texas, "Turby" is the project geologist for Capitola.

Robert Jordan (Land and Development)

- Professional landman with over 36 years experience covering all phases of the oil and gas exploration and production cycle.
- Based in Abilene, Texas, he has worked every major trend and play in Texas with extensive experience and expertise leasing highly prolific trends securing mineral acreage in high leasing activity locations.

Don Ellison (Petroleum Engineering)

- Registered Petroleum Engineer in the State of Texas (www.tbpe.state.us), with over 45 years experience in petroleum engineering.
- Manager of production engineering for Tom O'Conner Field, owned by one of the largest independent oil and gas producers in Texas.
- The founder and developer of the first upstream joint venture between Tatneft, the state-owned oil and gas company of the Russian Republic of Tatarstan, and a US oil company.
- Discovered two large Red Fork fields in Oklahoma.

Demonstrated ability to find and transact growth assets

Capitola Oil Project - Breckenridge Lime and Canyon Sands

Breckenridge Limestone

- The Breckenridge Limestone is located at approximately 4,500 feet and shallower and is a conventional objective containing both vertical and horizontal completion opportunities
- It is a Cisco Group carbonate (marine and non-marine carbonate and siliclastic rocks conducive to the formation of oil and gas) that forms a slope apron across much of the region
- Its deposition transitions from shelf margin to basin at an inactive slope wedge. It is much thicker at this slope wedge, and log data indicates porosity development on average of 10% and calculated initial water saturations of 25%
- Review of mudlogs in the area indicate standard practices were to “mud-up” and drill overbalance before penetrating the Breckenridge as it was known to be a lost circulation zone. The Breckenridge is productive in other areas of the Eastern Shelf such as the Fennell Field in Runnels County (one county south of our acreage)

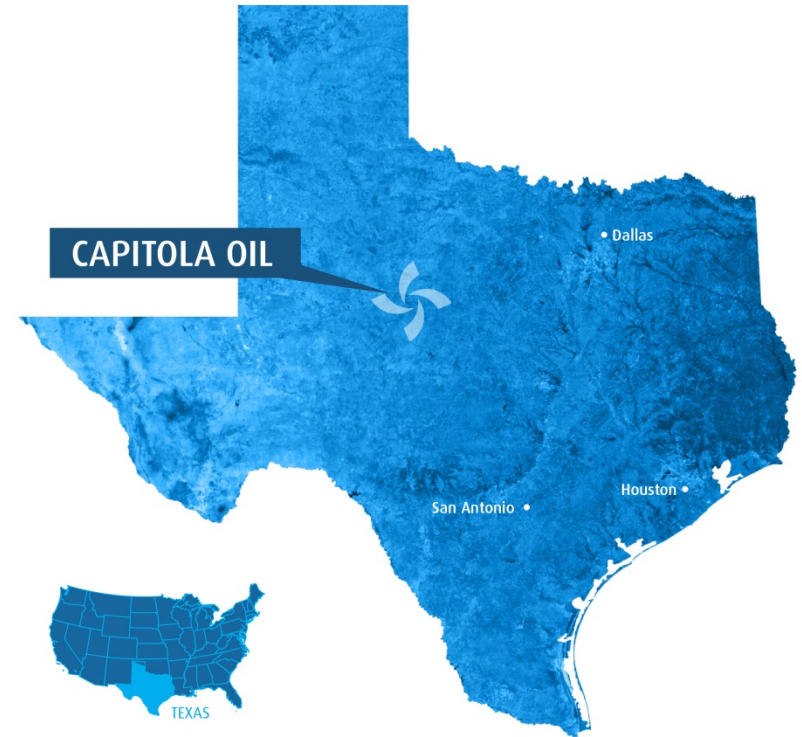
Canyon Sands

- The Canyon Sands objective is located at approximately 4,900 feet to 5,500 feet and is also a conventional objective containing both vertical and horizontal completion opportunities
- The Canyon Group sandstones of the eastern shelf in Fisher County are typically products of sand deposits occurring at submarine canyons cut into the shelf, and they are found with multiple deposits of sand in groups either stacked or offset along strike
- These Canyon Sands are a productive, proven interval within our acreage, reserve analysis indicates significant remaining recoverable reserves. Although the primary pay zone of the Canyon Sand field has produced since the mid 1950's, other canyon sand deposits both above and below show potential hydrocarbon production based on log data
- Multiple wells have been drilled and completed in lower canyon sands in previously untested areas immediately south of our acreage within the last 2 years



Capitola Oil Project - Location and geology

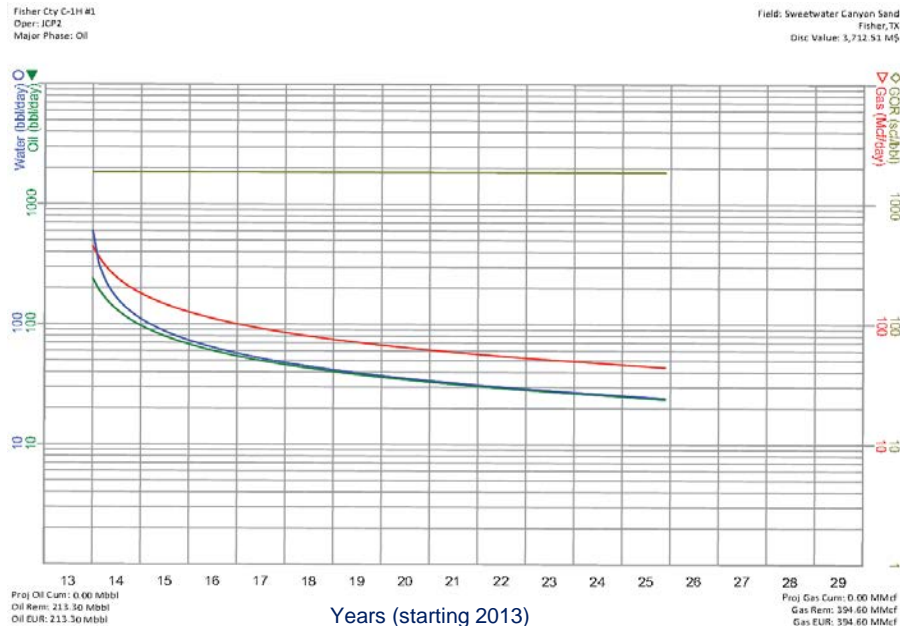
- The Eastern Shelf of the Permian Basin is emerging as a multiple shale and “stacked” carbonate resource play proven in recent drilling with IP’s of up to 1,000 BOE/day from horizontal drilling (200 BOE/day from vertical wells)
- Acreage located in Nolan and Fisher Counties, Texas, over two proven productive fields also containing redevelopment and secondary recovery opportunities
- The basin was once covered by the Permian Sea, which was hindered by a restricted outlet when it began to recede
 - The resulting inland sea evaporated over time in the hot dry locale
 - This ultimately led to formation of thick deposits of organic-rich sediments, creating one of the world’s most productive oil regions
- 1,500 vertical and 71 horizontal wells drilled in recent years through the Cline Shale
- All primary targets (Breckenridge Lime, Canyon Sands and Cline Shale) have been encountered on all well data, seismic, wireline logs and mud logs across all 9,333 acres



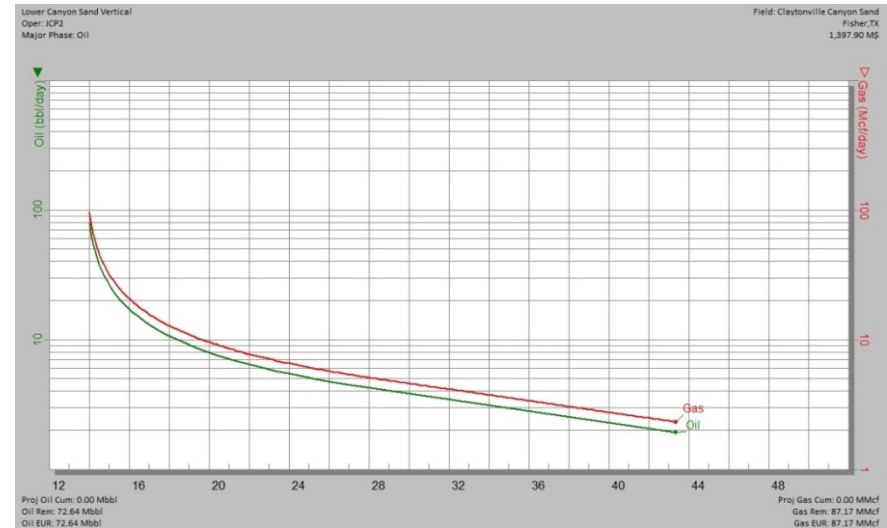
If Texas was a country it would be the 9th largest oil producing nation in the world surpassing Brazil, Venezuela, Nigeria, Mexico and Kuwait at 2.7 million barrels per day. This is mainly attributable to activity in the Permian Basin and Eagle Ford. (forbes.com)

Capitola Oil Project - Typical well profile

- Development of the Breckenridge Lime and Canyon Sands formation will be by way of vertical wells initially to depths less than 6,000 feet (1,828 metres)
- Typical vertical fracked well costs approximately US\$950,000 to drill and complete and is expected to produce from 50,000 to 140,000 BOE assuming an initial production rate of 60 to 140 BOE/day



Cline Shale horizontal well type decline curve



Breckenridge and Canyon Sands vertical well type decline curve

- Longer term, the development of the Cline Shale formation could be by way of horizontal wells at depths of approximately 6,000 feet (1,828 metres)
- Typical horizontal Cline Shale fracked well costs approximately US\$6,600,000 to drill and complete and is expected to produce anywhere from 100,000 to 600,000 BOE assuming an initial production rate of 120 to 710 BOE/day

Risk Factors

The activities of the Company are subject to risks which may impact on the Company's future performance. The following summary of risk factors represent some of the general and specific risks in relation to an investment in Pryme's shares. The following risk factors are not intended to be an exhaustive list of risks to which the Company is exposed:

- Exploration and Development Risks
- Oil and Gas Price Volatility
- Reserves and Resource Estimates Risks
- Foreign Exchange Risks
- Title and Title Opinions Risks
- Environmental Risks
- Competition Risks
- Additional Requirements for Capital
- Regulatory Risks
- General Economic and Political Risks
- Joint Venture Parties, Contractors and Contractual Disputes
- Insurance Risks
- Potential Acquisitions Risks
- Liquidity Risks
- Dividend Policy Risks
- Stock Market Conditions Risks
- Investment Risks

Further detail and examples in relation to these risks are contained in the Prospectus to be distributed to shareholders and released to ASX on 30 June 2014.

Glossary

A\$	Australian Dollars
US\$	United States Dollars
Bbls/day	Barrels (of oil) per day
EUR	Estimated Ultimate Recovery
MD	Measured Depth
MMBO	Million Barrels of Oil
MBOE	Thousand Barrels of Oil Equivalent
MMBOE	Million Barrels of Oil Equivalent
BOE	Barrels of Oil Equivalent
BOE/day	Barrels of Oil Equivalent per day
BOE/month	Barrels of Oil Equivalent per month
Mcf	Thousand cubic feet (of natural gas)
Mcfd	Thousand cubic feet (of natural gas) per day
NRI	Net Revenue Interest
NPV10	Means net present value at a 10% discount
WI	Working Interest
TVD	Total Vertical Depth
TMD	Total Measured Depth
MD	Measured Depth
OOIP	Original Oil in Place
3.28 feet	Equals 1 metre
CY	Calendar Year

