



1 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)

The Rabalais 35 No.1 well in North Bayou Jack Field is currently drilling at a depth of 12,235 feet (3,230 metres.) Building of the angle for the horizontal section will commence at a depth of approximately 14,600 feet (4,450 metres). The intermediate string of casing will be set into the top of the Austin Chalk formation. Drilling to date has gone to plan.

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.

"We are delighted with the drilling progress that has been made on the Rabalais well," said Justin Pettett, Pryme's Managing Director. "We have also been operationally focussed on our two existing Austin Chalk wells and expect to announce an initial potential rate on the Deshotels 13H next week. The successful clean-up of the well through the nitrogen injection procedure should result in an improved flow rate."

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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 Regional Trend Map and Project Location

