



28 February 2012

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Australian Securities Exchange
Exchange Centre
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SYDNEY NSW 2000

Turner Bayou Project Update and Investor Presentation

Please find enclosed a copy of a presentation updating the market on our Turner Bayou project located in Avoyelles Parish, Louisiana.

A copy of this presentation is available at the ASX and can be viewed on the Company's website www.prymeenergy.com.

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ASX Code: PYM

OTCQX Code: POGLY

A horizontal bar composed of several colored segments: orange, green, red, blue, dark blue, and yellow.

Pryme Energy Limited

ASX Code: PYM

Turner Bayou Project

Update and Investor Presentation

February 2012

Disclaimer, Forward Looking Statements and Competent Person Statement

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Technical information contained in this presentation in relation to Turner Bayou was compiled by Pryme and 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.

Company Snapshot

Major Exploration Upside through Turner Bayou

Stable oil and natural gas production

Current Daily Production (Net to Pryme)

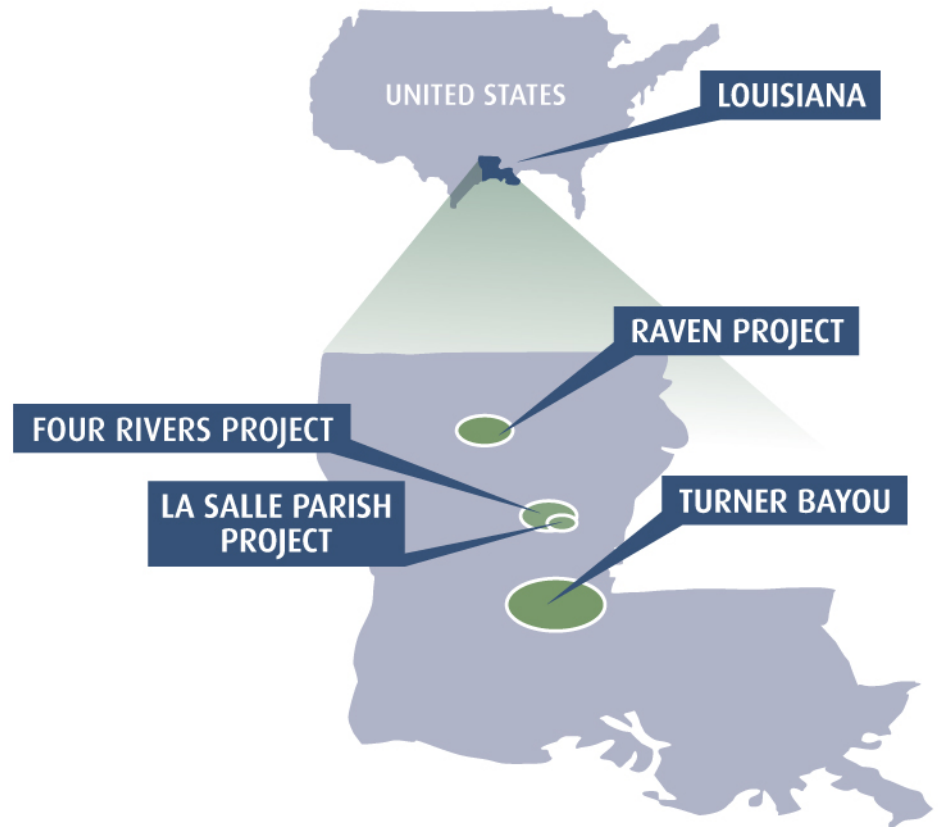
Oil	98Bbls/day
Natural Gas	165 Mcf/day*

Total /Day	126 BOE/day
Total /Month	3,906 BOE/month

*Natural gas is converted at a ratio of 6.1:1 into barrels of oil equivalent.

Shares on issue 259,360,278

Cash position approximately A\$5.0 million



Turner Bayou

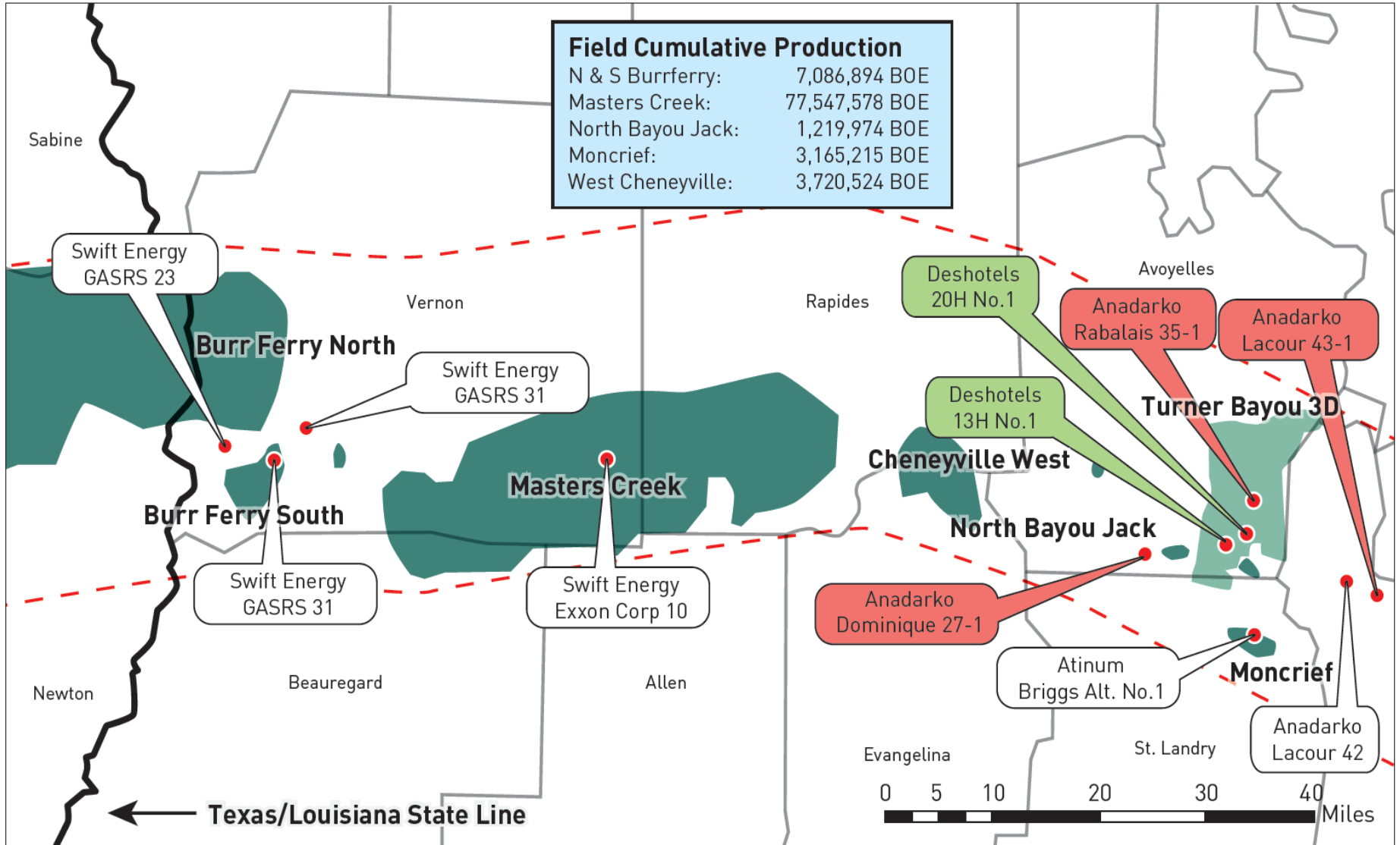
A Company Making Project

- Shot 80 square mile (52,000 acre) 3D survey in 2007
- 24,000 acres under lease (9,600 acres net to Pryme) in Austin Chalk play area
- Pryme owns 40% working interest (30% NRI)
- Well cost range US\$7m–US\$8m per well (US\$2.8m–\$3.2m net to Pryme)
- Recoverable oil 500,000 Bbls – 750,000 Bbls per well (150,000 Bbls - 225,000Bbls per well net to Pryme)
- Significant shows and/or production from all targeted intervals
- Secondary Objectives
 - Frio ~3,000 feet
 - Wilcox ~12,000 feet
 - Tuscaloosa Marine Shale ~16,000 feet





Austin Chalk Regional Trend Map and Project Location





Offset Production and Postulated Fracture Density Controls

- Several vertical wells were drilled in the period from the mid 1970's to the mid 1990's and include one of the best vertical wells in the trend which produced 572,000 Bbls of oil and 0.58 Bcf of natural gas
- Horizontal drilling increases potential of productive structures
- Interpretation indicates an erosional event occurred during the Upper Cretaceous age causing chalk to thin from 1,000 feet to 450 feet in some sections
- Chalk thickness probably also thins by deposition over underlying Edward shelf margin that forms a regional high, and was most likely positive during chalk deposition
- Combination of depositional thinning, erosion and position along structural flexure line are interpreted to result in concentration of fracture density in project area
- Results of Deshotels 20H No. 1 and 13H No.1 well support geologic interpretation



Deshotels 20H No.1 (40% WI)

- Twelve major oil and gas bearing fracture zones and many smaller fractures intersected in Deshotels 20H No.1
- Fracture zones indicated by major gas shows and oil over shakers while drilling
- Currently producing 75 barrels of oil per day gross (23 barrels per day net to Pryme)
- Not indicative of expected production rates due to mechanical problems during completion and stimulation which were not encountered in second well
- Plan to install lift system on well to improve production
- Second well costs reduced significantly and drilled efficiently to plan

Production Facilities - Deshotels 20H No.1 well



Deshotels 13H No.1 (40% WI)

- Fifteen major oil and gas bearing fracture zones and many smaller fractures intersected in Deshotels 13H No.1
- Major shows burning up to a 70 foot flare and oil produced to surface
- Fracture zones indicated by mud log and fracture identification log
- Currently producing 60 barrels of oil per day gross (18 barrels per day net to Pryme)
- Mechanical failures with the installation of Packers Plus production liner
- Well currently on pump



Pumping unit on Deshotels 13H

Rabalais 35 No.1 (8.8% WI)

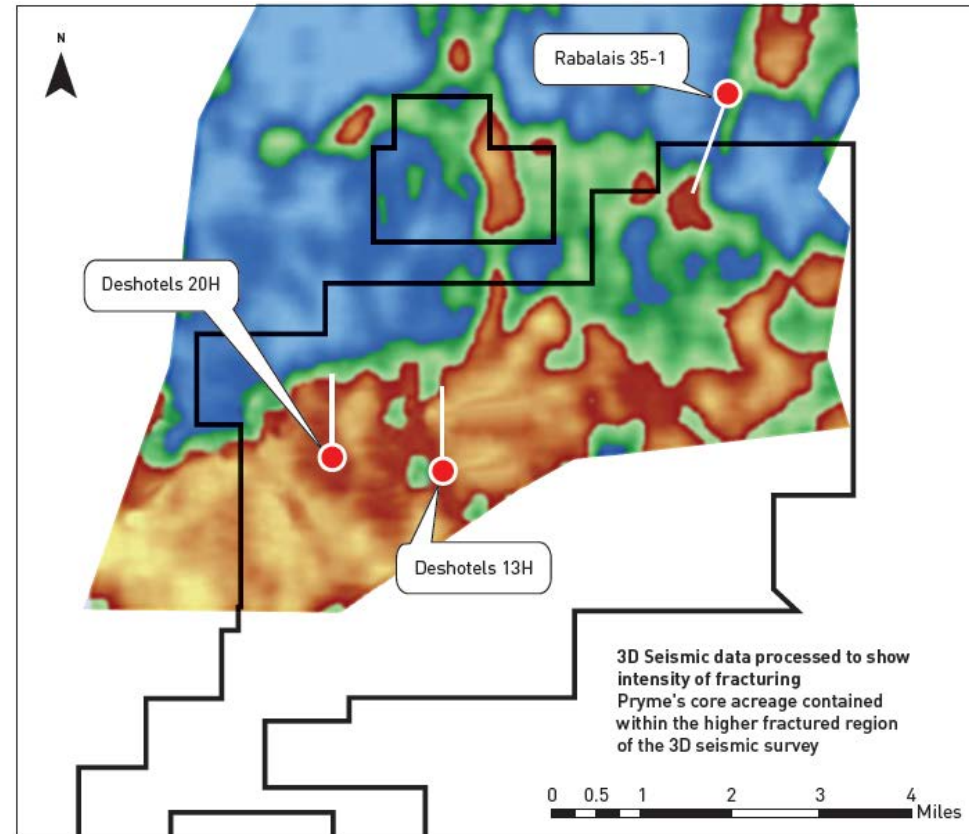
- Drilled and operated by Anadarko Petroleum
- Currently shut in for pressure building and further testing over the next 30 days
- Located to the northern most portion of Pryme acreage
- Lower fracture density than Prymes core acreage to the south
- Most of Pryme acreage focused in the Austin Chalk thin associated with the underlying Edwards Shelf margin
- The higher the fracture density the higher the productivity of the Austin Chalk formation



Drilling the Rabalais 35-1 well

Austin Chalk Potential

- Extensive fracturing and oil and gas produced to surface during drilling were observed in both the Deshotels 20H and 13H wells
- Third party engineering studies have confirmed this view
- Sub optimal completion techniques and major mechanical issues during completion resulting in lower than expected production rates
- Acreage in good address with well known neighbours such as Anadarko, Atinum and Swift
- Tuscaloosa Marine Shale potential. Large independents proving up oil shale play
- Wilcox oil four way closure lead



Turner Bayou acreage over 3D seismic survey

Key Infrastructure in Place to Speed Time to Sales

- Six (6) miles of Gathering System through the middle of the acreage block. Tap on CrossTex
- Oil attracts premium of approximately 10% on West Texas Intermediate (WTI) pricing due to demand in the local area



Natural gas tap facilities into main gas sales trunk line



Other Objectives Wilcox / Tuscaloosa Marine Shale

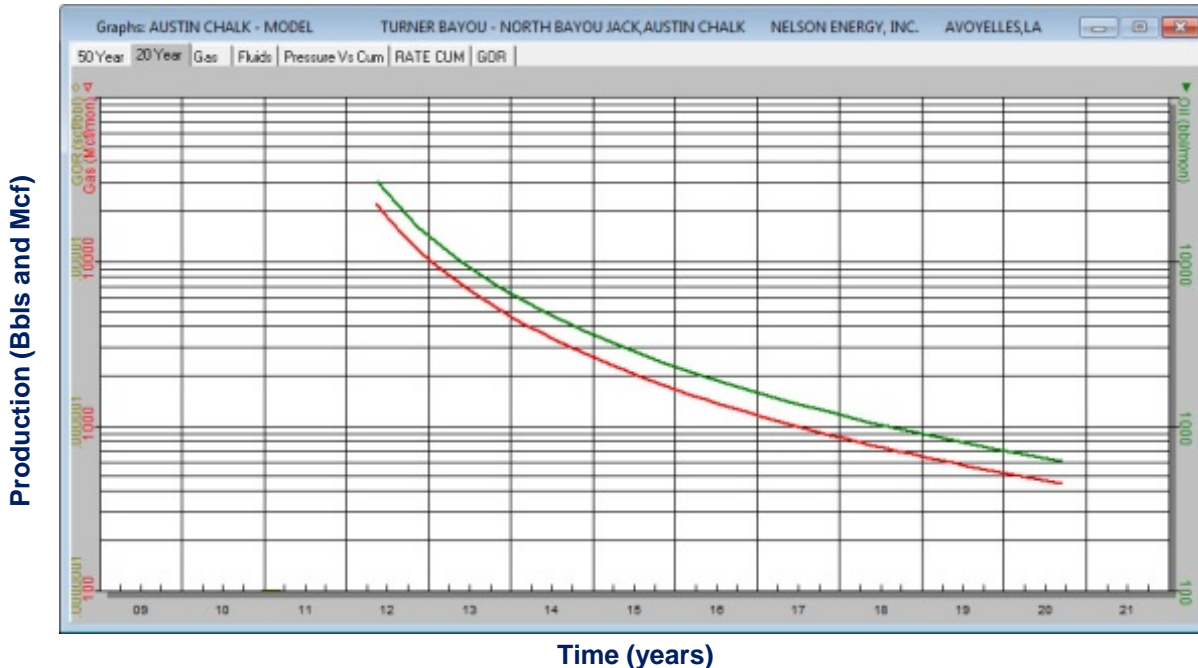
- Logging during the drilling of the Deshotels 20H No.1 indicated potentially productive zones in the Wilcox formation at approximately 12,000 feet, the Austin Chalk formation at approximately 15,000 feet, and the Tuscaloosa Marine Shale (TMS) formation at 16,000 feet
- The TMS is of particular interest, given that a vertical completion was made in the interval in 1977 by Gulf which tested at initial rate of at over 100 barrels of oil per day and associated gas with no stimulation
- The Eagle Ford is an abnormally pressured source rock and is a target for shale gas in South Texas. Deshotels well intersected the Louisiana Eagle Ford equivalent (the TMS) with minor reservoir rock with porosity up to 16% with very encouraging mud log shows. Compares favourably to some of the better locations in the Eagle Ford play in South Texas which exhibit porosities in the 6% to 12% range
- The TMS will be further evaluated in future wells, once Austin Chalk development is well established
- In addition to the Austin Chalk, this deeper play could prove to be valuable for the company and will be appraised and tested in future wells





Development of the Austin Chalk in Turner Bayou

- Development model using the following assumptions:
 - 920 barrel per day average Initial Production (IP)
 - 500,000 barrels of oil recovered per well (gross)
 - Typical production decline curve based on average analogue well production histories
 - US\$9.4 million cumulative cash flow per well net to Pryme
 - US\$7.6 million cumulative NPV10 valuation per well net to Pryme



Expand Portfolio and Ramp up Exploration and Development

Business Development

- Turner Bayou should continue to add value over a number of years
- Our increased wealth as a result of Turner Bayou will enable us to set and achieve ambitious goals to increase wealth for shareholders
- Continue to review, evaluate and high grade next “Company Maker” project outside of Louisiana

Intermediate Goals

- Transform Turner Bayou into a substantial producer
 - Share price appreciation
- Bolster technical and commercial staff – collaboration with world-class technical team usually reserved for major oil and gas companies
- Use regional knowledge and contacts to isolate next significant project

Share Price Information

Buy	Sell	First	High	Low	Last	Market Price	Change	% Change	Volume	MktCap
0.051	0.051	0	0	0	0	0.051	0	0	0	\$13m

Various Trend Charts

Below are share charts depicting Pryme Energy Limited's performance over different time periods. Using the drop down box, you can change the type of graph which is displayed below. The trend charts update as trading commences on the ASX each morning.

1 Year Price Chart ▾



Share Price Information

\$0.051

Change: \$ -

28 February 2012 08:38 AM

Price delayed by at least 20 minutes



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Feature: Turner Bayou Project

Proprietary 3D seismic survey targeting the Wilcox, Austin Chalk and Eagle Ford formations; major phase oil, with some natural gas production.

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