



ASX / Media Release

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## **Pryme Closes US\$100m Non-Recourse Debt Facility Turner Bayou Project**

### **HIGHLIGHTS**

- **Credit approval obtained and all documentation executed for non-recourse debt facility from Macquarie Bank Limited**
- **Finance to fund Pryme's share of exploration costs in the Turner Bayou project**

Pryme Energy Limited (Pryme) is pleased to announce that its wholly-owned subsidiary Pryme Oil and Gas LLC has executed a \$100,000,000 Senior Secured Term Credit Agreement (Term Facility) with Macquarie Bank Limited (Macquarie Bank) to fund its share of exploration and development costs for the Turner Bayou project in Avoyelles Parish Louisiana, USA.

The Term Facility is secured only against the assets of Pryme Oil and Gas LLC, which holds Pryme's interest in the Turner Bayou project, and is non-recourse to the parent company and all other projects and subsidiaries of Pryme. The Term Facility repays and replaces the \$5 million Bridge Loan Facility which was provided by Macquarie Bank in relation to the Rosewood Plantation 21H No.1 well in the Turner Bayou Chalk Project. The key terms and conditions of the Term Facility are set out below.

"We are very pleased to have closed on the one hundred million dollar term loan facility with Macquarie Bank. We can now continue to focus on unlocking the significant value of the Turner Bayou project including completing the Rosewood Plantation 21H No.1 well which is currently underway," said Justin Pettett, Pryme's Managing Director. "The strength and security of our funding arrangement with Macquarie means that existing shareholders and new investors can be confident that Pryme is well funded to move forward on the opportunities ahead of us at Turner Bayou. The funding arrangement sets Pryme apart from its peers and enables it to concentrate on building value for shareholders."

### **About Turner Bayou**

The Turner Bayou project comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Pryme has a 40% working interest in 25,029 acres (10,011 net acres) in the Turner Bayou project and is initially targeting development of the Austin Chalk horizon. In addition to the Austin Chalk potential of the Turner Bayou project area, exploration drilling within Pryme's Turner Bayou leases has intersected the Tuscaloosa Marine Shale which is analogous to the prolific Eagle Ford Shale in South Texas.

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### **Competent Person Statement and Disclaimer**

*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](http://www.spe.org).*

### **Key Terms of the Term Facility**

- An amount of US\$100,000,000 in two tranches. Tranche A of US\$6,500,000 in committed funds at closing to be used toward: (a) repayment of the Bridge Loan Facility, (b) drilling of the Rosewood Plantation 21H No.1 well in the Turner Bayou Chalk project, and (c) other costs associated with the closing of the transaction. Tranche B of US\$93,500,000 is contingent upon Macquarie's approval of advances from such Tranche within its discretion to be used to fund the further expenditure to develop Pryme's share of the Turner Bayou project.
- Interest payable on the Term Facility is LIBOR + 6.00% per annum payable monthly in arrears.
- Maturity on the Term Facility is forty-eight (48) months from closing.
- Pryme will assign to Macquarie Bank a Net Profits Interest (NPI) equal to 25% of Pryme's Working Interest in Turner Bayou. The NPI will be burdened by proportionate production and capital costs and commences on the earlier of Maturity of the Term Facility (48 months) or loan repayment.
- Customary affirmative and negative covenants as well as representations and warranties.