



Annual General Meeting

23 May 2012

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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)

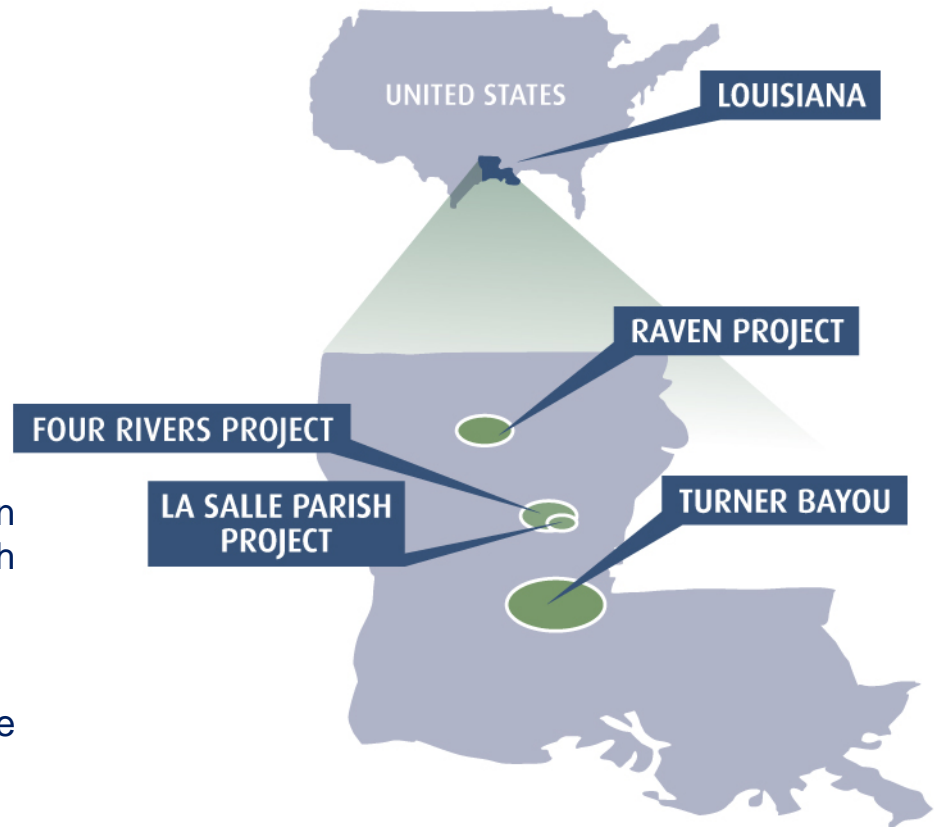
Oil	73 Bbls/day
Natural Gas	138 Mcf/day*

Total /Day	96 BOE/day
Total /Month	2,880 BOE/month

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

A Pryme Platform for Growth

- A combination of low risk oil and gas exploration and production with substantial upside from high impact exploration
- Large contiguous mineral lease position
- High impact multiple objective project with large upside potential
- Strong deal flow





Oil and Gas Reserves at 31 December 2011

RESERVE CATEGORY	1P - Proved			2P - Probable		
	Oil MBO	Gas MMCF	Total MBOE	Oil MBO	Gas MMCF	Total MBOE
PROJECT						
LaSalle	113.2		113.2	3.4		3.4
Four Rivers	73.1		73.1			
Raven	25.1	1,371.4	249.9			
Turner Bayou	694.8	91.7	709.8	1,053.4	769.6	1,179.6
Totals	906.1	1,463.1	1,146.0	1,056.8	769.6	1,182.9

MBOE – Oil equivalent expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons

Value per share calculated by dividing current shares on issue into discounted cash flow for each project using an AUD/USD exchange rate of 1.00 from Petro Partners, Inc summary of reserves as at 31 December 2011

Value Proposition

- Proven reserves in Turner Bayou are based on the area of influence of the Deshotels 20H and 13H and reflects their sub-optimal completion and low levels of production. The reserve estimate does not reflect the potential of the project area which is much greater than this area of influence
- 1P and 2P NPV10 **valued at A\$0.32 per share**
- 1P and 2P oil reserves only **valued at A\$6.61 per barrel**
- 1P and 2P oil and natural gas reserves **valued at A\$5.57 per barrel** of oil equivalent
- Improved results from new Turner Bayou wells will significantly impact all reserve categories positively

Turner Bayou

A Company Making Project

- Shot 80 square mile (52,000 acre) 3D survey in 2007
- 25,791 gross acres under lease (10,316 acres net to Pryme) in Austin Chalk play area, 2,160 acres Held by Production
- Pryme owns 40% working interest (30% NRI)
- Recoverable oil 500,000 Bbls – 1,000,000 Bbls per well (150,000 Bbls - 300,000Bbls per well net to Pryme)
- Based on 640 acre well spacing, we estimate that, fully developed, the prospective area has potential to support up to 30 horizontal wells
- Initial production rates average over 1,000 barrels per day of oil in region
- Significant shows and/or production from all targeted intervals

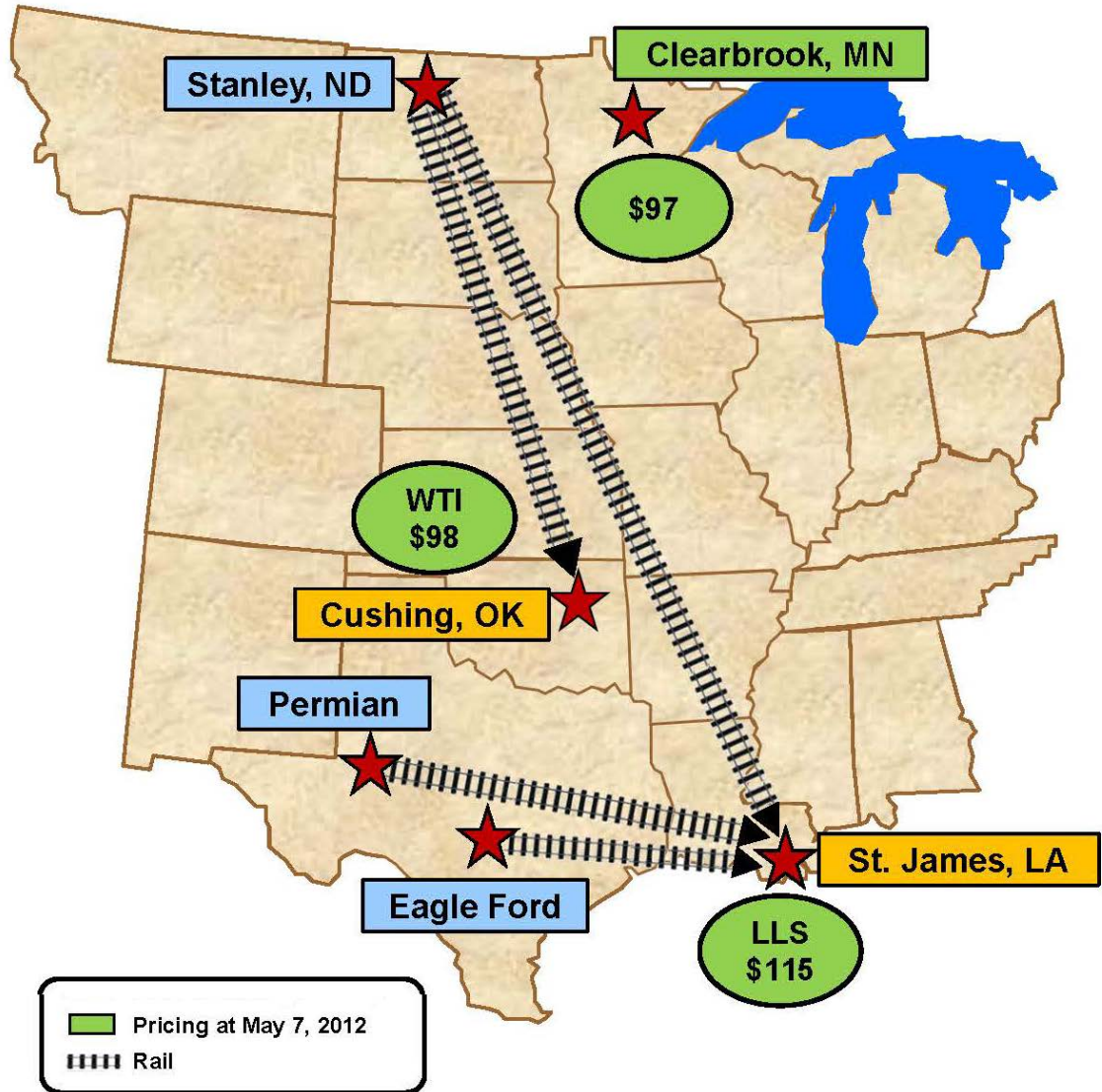


High rate of return in the area



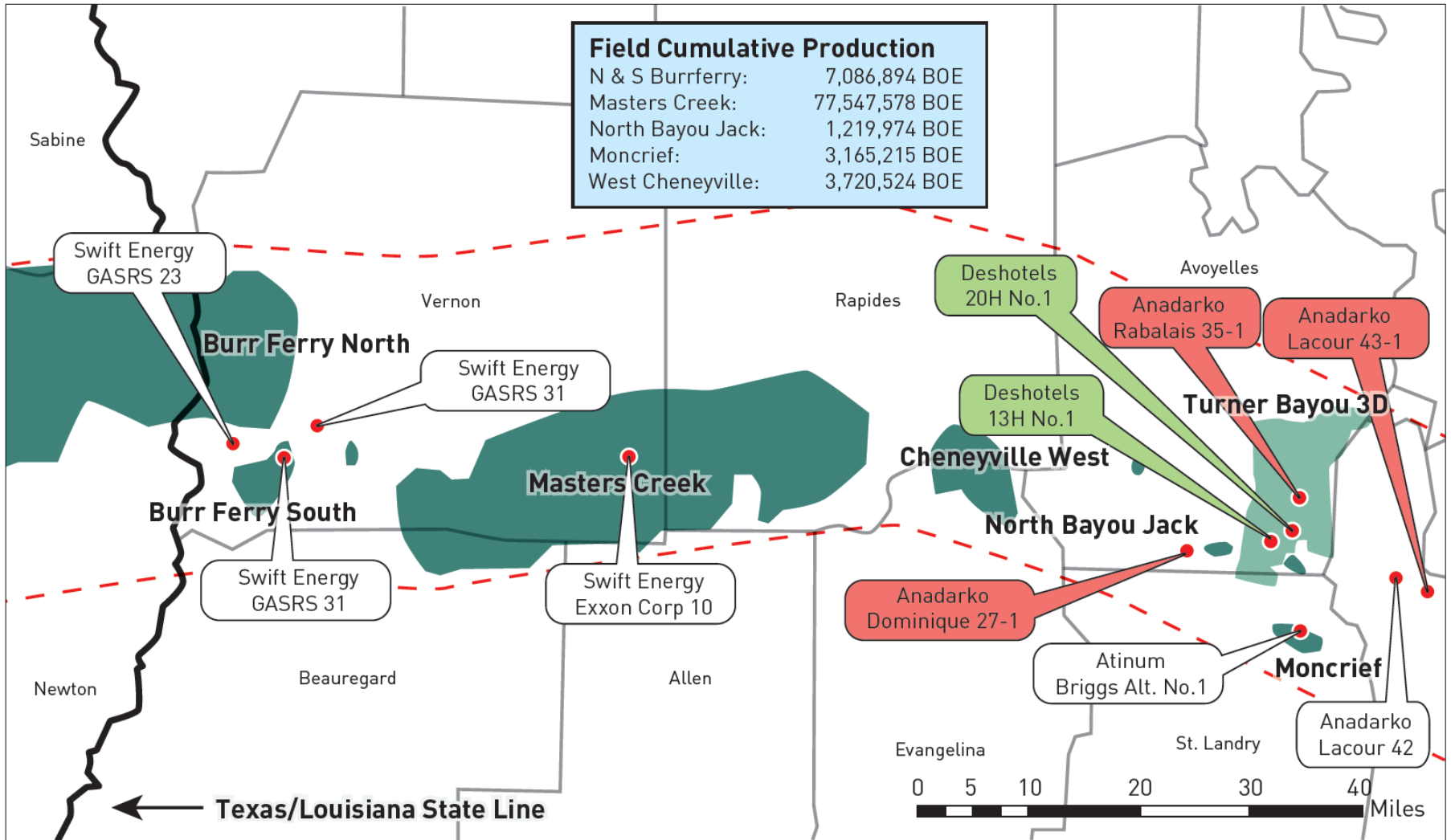
Right Location

- Major phase oil with associated natural gas
- On trend with prolific Austin Chalk production through Western Louisiana and Eastern Texas
- Tuscaloosa Marine Shale development through Louisiana and Mississippi
- Oil sold attracts premium of approximately 10 - 15% on West Texas Intermediate (WTI) pricing due to demand in the local area





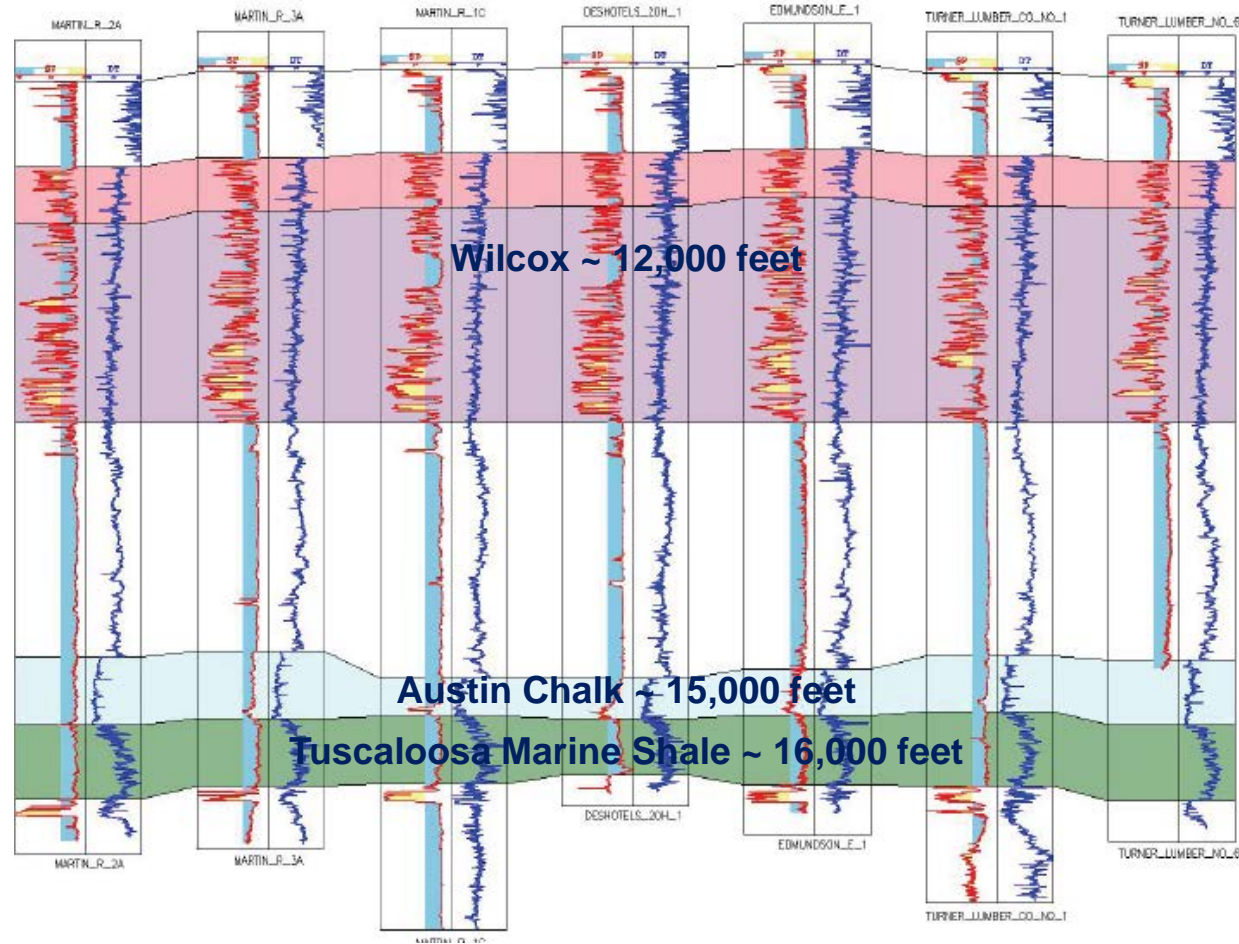
Austin Chalk Regional Trend Map and Project Location



Turner Bayou

Stratigraphic Column

- Thinner chalk is one element that dictates better production in Masters Creek Field to the west due to higher fracture density

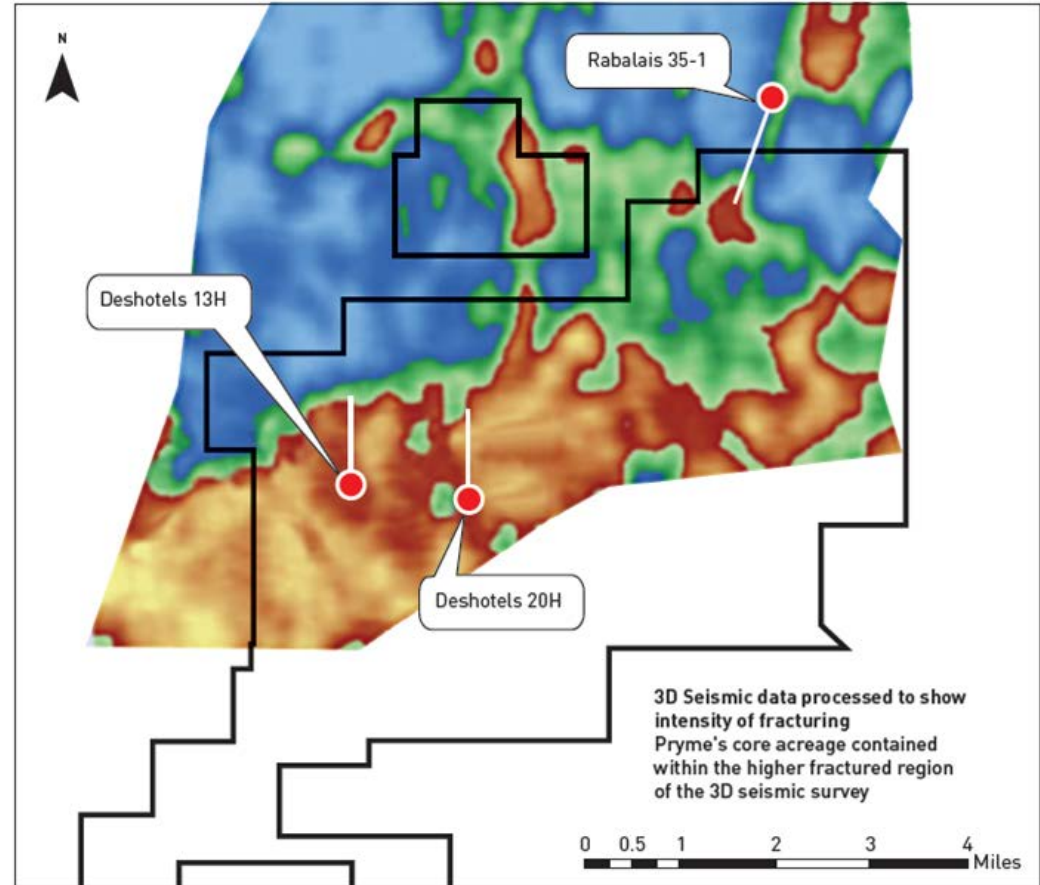


The TMS is the Louisiana equivalent of South Texas' highly prospective Eagle Ford formation



Higher fracture density the higher the productivity of the Austin Chalk

- Horizontal drilling increases potential of productive structures
- Several vertical wells were drilled on our survey in the period from the late 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 from one fracture network
- 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
- The thin chalk and its relation to the shelf edge dictates fracture density
- Results of Deshotels 20H, 13H and Rabalais 35H well support geologic and geophysical interpretation



Turner Bayou acreage over 3D seismic survey

Deshotels 20H (40% WI)

- 12 major oil and gas bearing fracture zones, many smaller fractures intersected
- 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



Deshotels 13H (40% WI)

- 15 major oil and gas bearing fracture zones, many smaller fractures intersected
- Burning up to a 70 foot flare and oil produced to surface
- 128 oil bearing fractures indicated by 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



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 concluded that sub-optimal completion techniques and major mechanical issues during completion resulting in lower than expected production rates – **Completion techniques have been refined using large independent oil and gas companies’ proven methodology**
- Acreage in Austin Chalk “sweet spot” surrounded by Anadarko and Atinum with Swift to the west

Austin Chalk Initial Potential Rates

Operator	Well	Oil (bopd)	Gas (mcf/d)	Water (bwpd)
Anadarko Petroleum	Lacour 43-1	3,000	2,500	600
Atinum Operating, Inc	Briggs Alt. No.1	2,184	6,795	3,276
Nelson Energy	Deshotels 13H No.1	1,167	644	350
Anadarko Petroleum	GASRS 5 No.1	1,073	12,663	5,465
Anadarko Petroleum	Dominique 27 No.1	753	1,151	1,484
Nelson Energy	Deshotels 20H No.1	600	458	0
Anadarko Petroleum	GASRS 18 No.1	500	7,000	6,672
Anadarko Petroleum	GASRS 16 No.1	203	1,127	259

Schematic Turner Bayou Project Development Model (Assuming Continued Success)



Avoyelles Parish

Point Coupee Parish

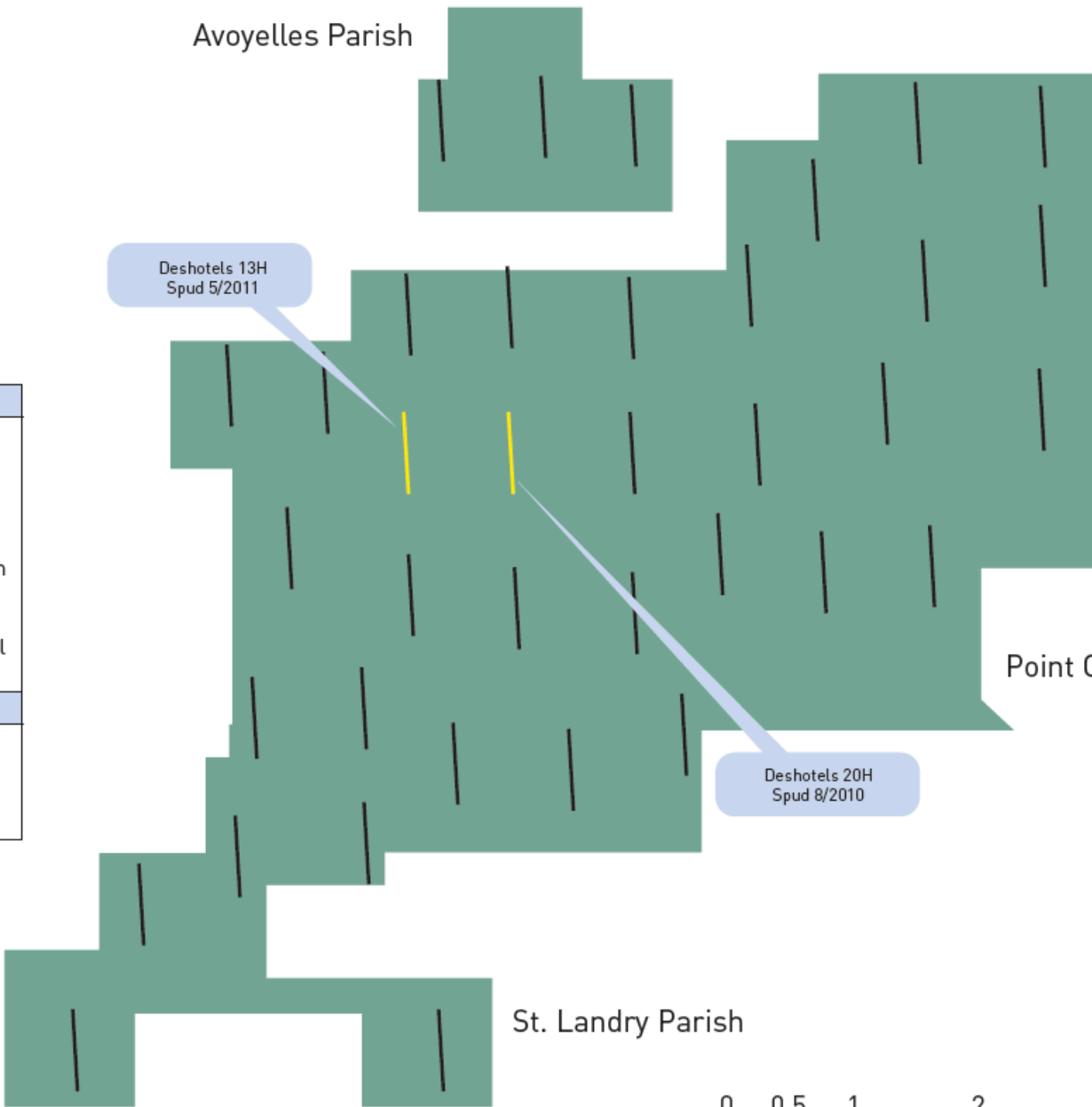
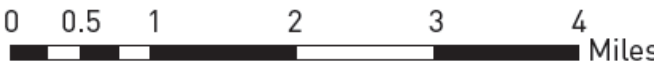
St. Landry Parish

Legend	
	Approximately 15,000 feet TVD (Total Vertical Depth)
	Horizontal leg 4,500 feet
	Orientation normal to regional fracture trend
	Oil produced to onsite production facility and then trucked by oil purchaser to sales point
	Natural gas produced to regional pipeline network
Surface Culture	
	Flat
	Open farm land
	Rice and crawfish production
	Easy access

Legend	
	Pryme Acreage
	Deshotels 20H & 13H
	Postulated Well Locations

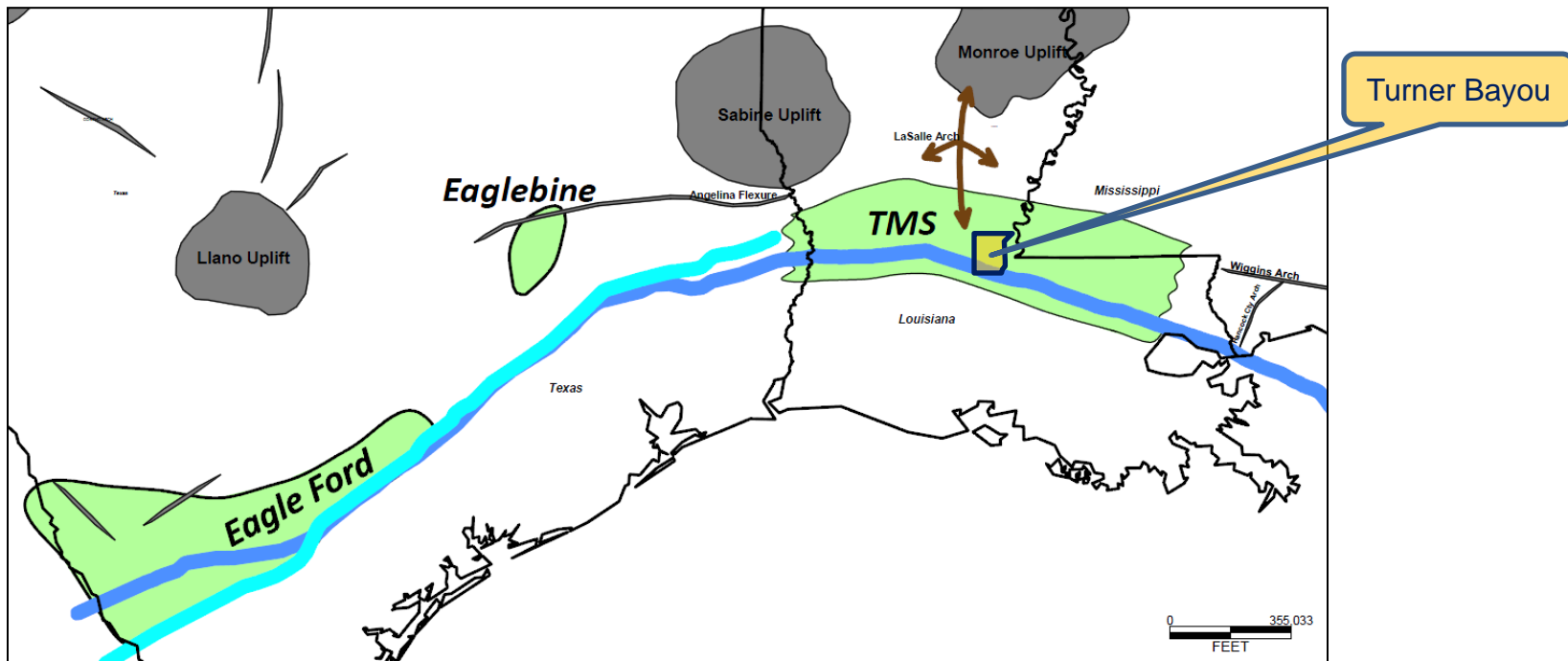
Deshotels 13H
Spud 5/2011

Deshotels 20H
Spud 8/2010



Tuscaloosa Marine Shale (TMS)

- A vertical completion was made in the TMS on our 3D survey 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 and NGLs 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



Pryme Energy ASX Share Price Trading History (12 months)

PRYME ENERGY LIMITED FPO (ORDINARY FULLY PAID)

Mon 21 May 2012 8:52 AM (Sydney time)

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Draw trend lines



Pryme Opportunity

Project	Description	1P Reserves	Value per share
LaSalle Parish	Middle Wilcox Trend Oil Project (Existing production)	113MBO	\$0.042
Raven	Cotton Valley Gas & Condensate Project (Existing production)	250MBOE	\$0.023
Four Rivers	Middle Wilcox Trend Oil (Existing production)	73MBO	\$0.028
Turner Bayou (Austin Chalk proved wells only)	3D Seismic Survey generated Austin Chalk Oil play with Tuscaloosa Marine Shale potential	709MBOE	\$0.159
Proved		1,145MBOE	\$0.252

MBOE – Oil equivalent expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons

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Execute on Turner Bayou

- Producer with exploration and development upside through secured projects
- Proprietary 3D seismic to generate prospects in Turner Bayou
- Short lead time (months) of executing on Company maker

Strategy

- Drill most densely fractured Austin Chalk well location in Turner Bayou in coming months 2012 with significant engineering and operational changes
- Fund next well in Turner Bayou through a farm-out at project level or corporately through a structure with the least amount of dilution for shareholders at current share price
- Focus on the development of play; drilling another well within 30-60 days of completion of next well
- Delineate and develop acreage driven by geoscience (30 locations fully developed using 640 acre spacing)
- Payback on successfully completed wells modeled between 3-6 months due to high initial production rates
- Expected to exponentially increase Pryme's company wide oil production and reserves





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Office Locations:

Pryme Energy Limited
Level 7, 320 Adelaide Street
Brisbane QLD 4000
Australia

Telephone: +617 3371 1103
Fax: +617 3371 1105

USA Office
1001 Texas Ave.
Suite 1400
HOUSTON TX 77002

Telephone: +1 713 401 9806
Fax: +1 832 201 0936

Mailing Address:

Pryme Energy Limited
GPO Box 101
Brisbane QLD 4000
Australia

Email: info@prymeenergy.com

Website: www.prymeenergy.com

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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