



ASX / Media Release

5 February 2013

Significant Oil and Natural Gas Fractures Intersected Rosewood Plantation 21H No.1 Drilling Update Turner Bayou Chalk Project

HIGHLIGHTS

- Currently at 19,168 feet total measured depth
- Substantial Oil and gas fractures intersected

Rosewood Plantation 21H No.1 (61.53% Working Interest / 46.15% NRI)

The Rosewood Plantation 21H No.1 well has reached a total measured depth of 19,168 feet (5,842 metres) and has intersected a significant oil and gas bearing fracture system. Green oil is being produced back to surface with the drilling mud and a 30-40 foot high natural gas flare is burning. The planned total depth of the well is 20,310 feet (6,190 metres).

"Whilst it has been good to see the intersection of multiple fractures to date, it is very encouraging to intersect something of significance as we did today," said Justin Pettett, Pryme's Managing Director. "Drilling has taken longer than originally planned and we remain focused on the importance of a positive result from this well and the impact it will have on the value of Pryme. We look forward to flow testing the well later this month."

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.

For further information please contact:

Justin Pettett
Managing Director
Pryme Energy Limited
Telephone: +61 7 3371 1103

Ryan Messer
Chief Operating Officer
Pryme Energy Limited
Telephone: +1 713 401 9806

Website: www.prymeenergy.com

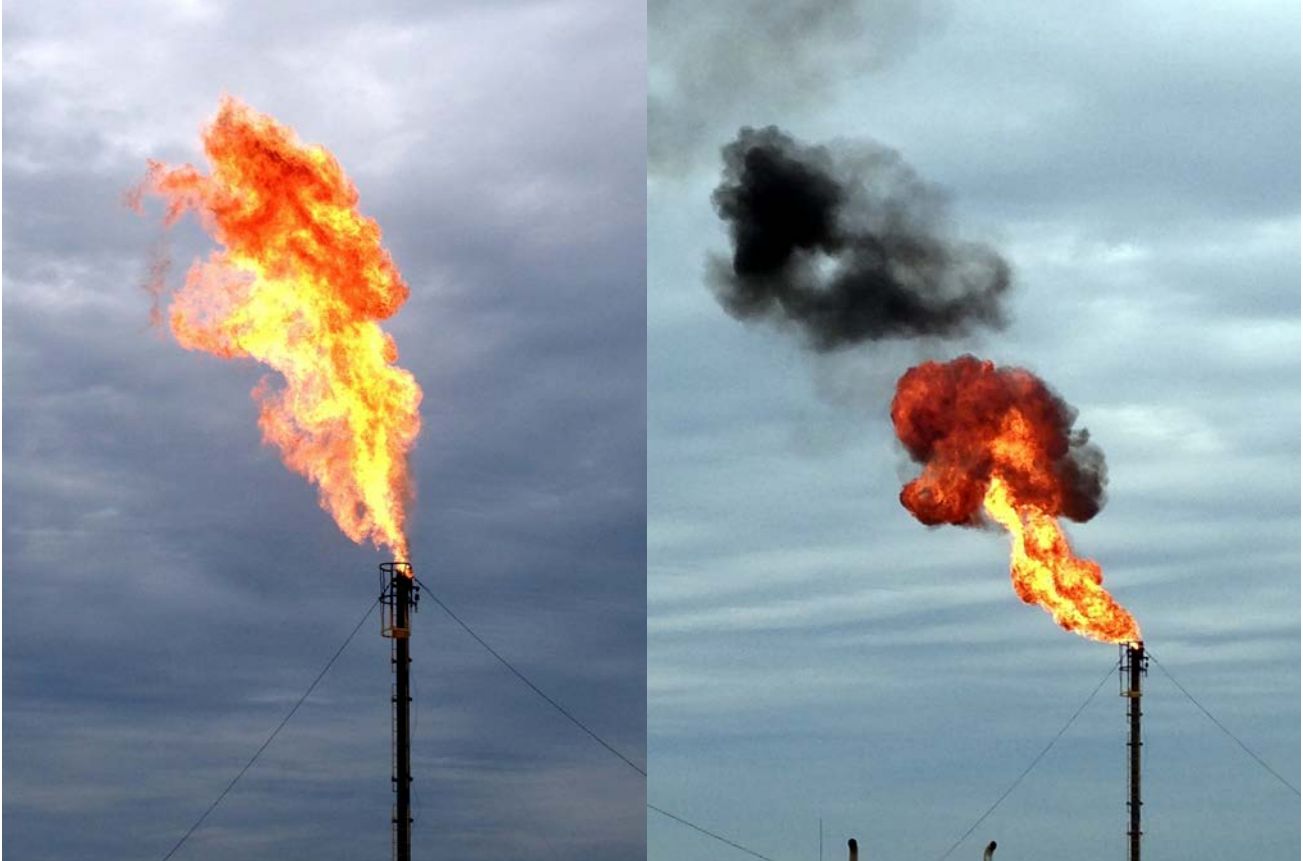
ASX Code: PYM

OTCQX Code: POGLY

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.



Natural gas being flared on the Rosewood plantation 21H No.1