

Pryme Energy Ltd

ASX Code: PYM

OTCQX Code: POGLY

Capitola Oil Project Acquisition

11 February 2014



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Reserves or prospective resources have been prepared by Mr Robert H. Patterson, a petroleum engineer who is a qualified petroleum reserves and resource evaluator as defined under ASX Listing Rule 5.41. Mr Patterson holds a Bachelor of Science in Chemical Engineering and has over 30 years experience in engineering studies, evaluation of oil and gas properties, drilling, completion, production and process engineering of oil and gas operation and evaluation of properties in the USA. Mr Patterson has consented to the use of the reserve and/or prospective resource figures in this presentation. Mr Patterson is a member of the Society of Petroleum Engineers and is a registered Professional Engineer in the state of Texas.

Technical information contained in this presentation in relation to the projects of the Company have 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 consents to the inclusion in this presentation of the information in the form and context in which it appears.

Pryme capitalisation summary

ASX Code
OTCQX Code

PYM
POGLY

Shares on issue
Market capitalisation

289,708,568
A\$8.7 million

Share price range (12 months)
Current price (as of 6 February 2014)

A\$0.012-A\$0.135
A\$0.030



Major shareholders

Panorama Ridge Pty Ltd	13.7%	Cornerstone shareholder since 2007
Belmont Park Investments Pty Ltd	13.2%	Cornerstone shareholder since 2007
Board and Management	5.5%	
Mr Anthony Rispoli	4.3%	Turner Bayou US project partner
Mr Peter Daniels Adams	2.4%	Long term shareholder since IPO in 2006
Vassallo Family Super Fund	2.3%	Long term shareholder since IPO in 2006
Anglo Energy Company Inc.	1.6%	Long term shareholder since IPO in 2006

Top 20 hold
Cash position
Credit facility with Macquarie Bank

52.0%
A\$1.6 million
US\$6.5 million

Credit facility has recourse to Turner Bayou Project only. Otherwise non-recourse to Pryme group of companies and projects (see appendix for further detail)



Pryme operational snapshot - Underpinned by stable oil and natural gas production

Current Daily Production (Net to Pryme)

Oil	60 Bbls/day
Natural Gas	98 Mcf/day*

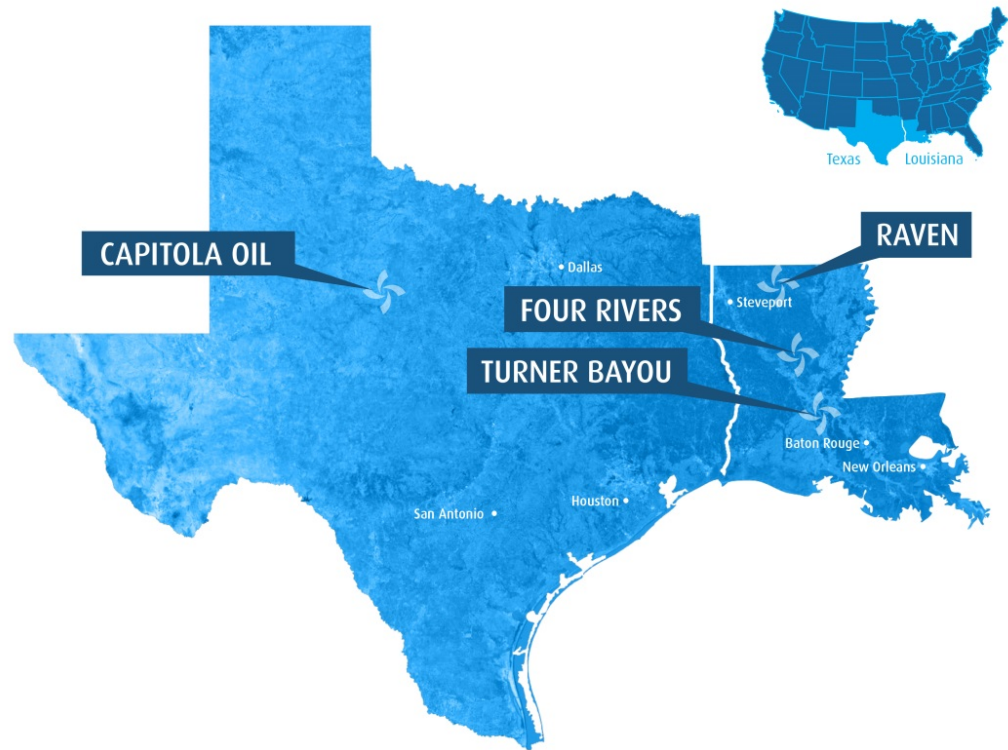
Total/Day	76 BOE/day
Total/Month	2,356 BOE/month
Annual net revenues	A\$2.5 million

Existing Producing Projects

- **Raven** (35% WI), intermediate depth (less than 10,000 feet) targeting Cotton Valley sands producing oil condensate and natural gas
- **Four Rivers** (8%-25% WI), shallow (4,000-7,000 feet) vertical wells oil project targeting multiple “stacked” oil zones in Middle Wilcox formation
- **Turner Bayou** (40%-61.53% WI), deep (15,000 feet TVD) horizontally drilled wells in the Austin Chalk oil window

Introduction of Capitola Oil Project

- **Capitola Oil Project** (75% WI), 9,333 acres of oil and gas leases at the edge of the eastern shelf of the Permian Basin, Texas



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

Vision

To grow Pryme into a top tier independent oil and gas company capable of delivering high returns to shareholders through the exploration and development of high quality US onshore projects

Strategy

- **Phase I** Focus on projects which offer increasing scalability of production, cash flows and reserves through high quality exploration opportunities with upside throughout the USA
- **Phase II** Target liquids rich petroleum systems with “stacked pay” opportunities to minimize risk and optimize returns
- **Phase III** Focus on emerging unconventional plays, to avoid the high entry cost in more mature plays (shallow to intermediate depth wells less than 8,000 feet TVD)

Execution

- **Phase I** Resumption of drilling and development in the Four Rivers Oil Project, Louisiana
- **Phase II** Reaching fruition through the introduction of Pryme’s Capitola Oil Project, located on the eastern shelf of the Permian Basin, Texas
- **Phase III** Achieved through securing acreage position in Cline Shale and leveraging information from offset operators and data acquired during Capitola Oil Project development

Investors can expect increased breadth in project portfolio throughout 2014 with a focus on exploration and development in Four Rivers and Capitola throughout the year

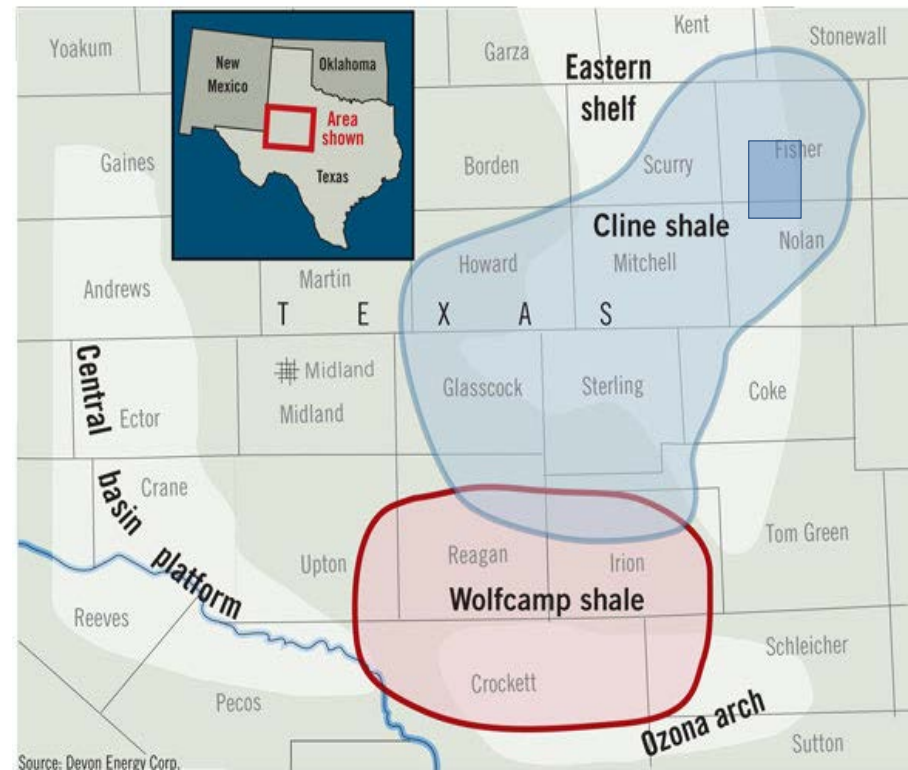


Capitola Oil Project - Overview

- Located in the west central region of Texas at the edge of the eastern shelf of the Permian Basin
- The project comprises a 75% WI (50% WI in the Cline Shale) in 9,333 acres of oil and gas leases with three primary targets
 - Breckenridge Lime
 - Canyon Sands
 - Cline Shale
- Other operators in region have leased very large tracts of minerals and are drilling many wells in the Cline Shale and shallower objectives with great success including
 - Devon, Range Resources, Laredo
 - Firewheel, Gunn
- Devons Bishop 1H well adjacent to Capitola one of their best producers in the region
- Low risk area defined with production data and well information
- Exploiting well defined new targets with more advanced drilling and completion and stimulation technology

“Significant upside in a proven oil play for Pryme and its shareholders” Justin Pettett, Managing Director

PERMIAN BASIN SHALE FORMATIONS



Capitola Oil Project acreage shown in blue rectangle in Fisher and Nolan Counties, Texas

Capitola Oil Project - Breckenridge Lime and Canyon Sands

Breckenridge Limestone

- The Breckenridge Limestone is located at approximately 4,500 TMD and shallower and is a conventional objective containing both vertical and horizontal completion opportunities
- It is a Cisco Group carbonate (marine and nonmarine carbonate and siliclastic rocks conducive to the formation of oil and gas) that forms a slope apron across much of the region
- Its deposition transitions from shelf margin to basin at an inactive slope wedge. It is much thicker at this slope wedge, and log data indicates porosity development on average of 10% and calculated initial water saturations of 25%
- Review of mudlogs in the area indicate standard practices were to “mud-up” and drill overbalance before penetrating the Breckenridge as it was known to be a lost circulation zone. The Breckenridge is productive in other areas of the Eastern Shelf such as the Fennell Field in Runnels County (one county south of our acreage)

Canyon Sands

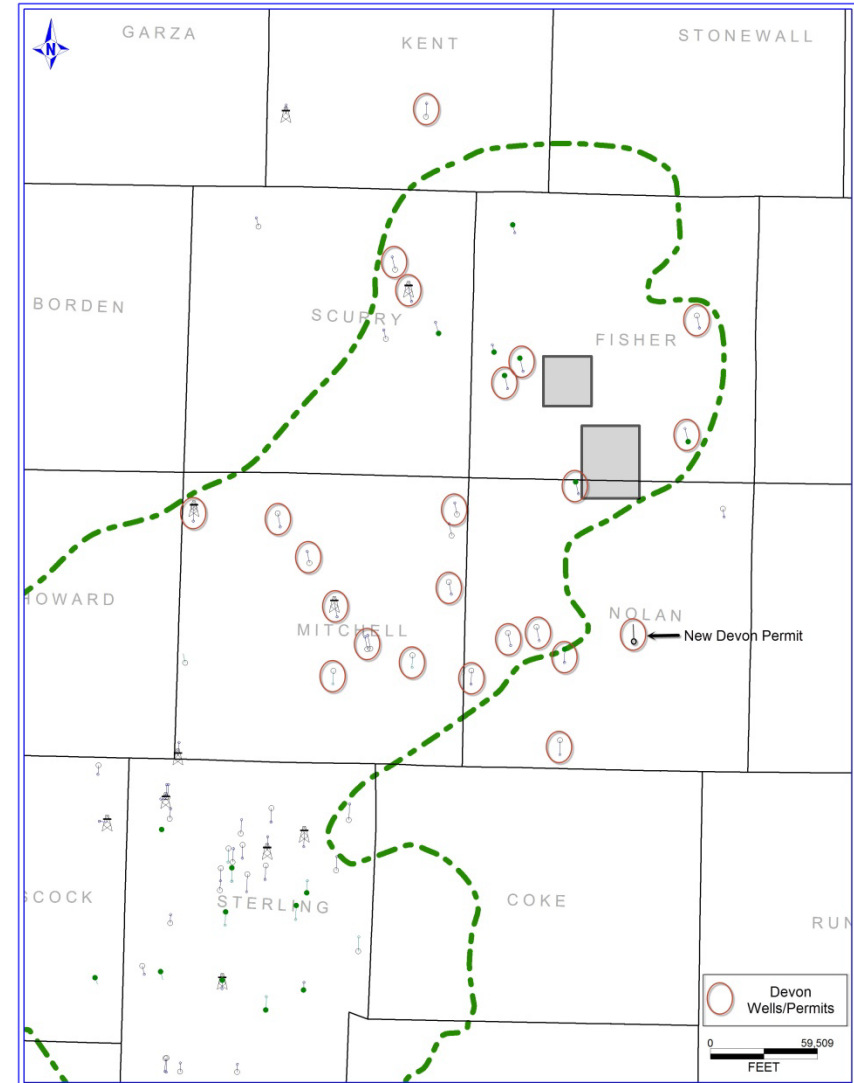
- The Canyon Sands objective is located at approximately 4,900 feet to 5,500 feet TMD and is also a conventional objective containing both vertical and horizontal completion opportunities
- The Canyon Group sandstones of the eastern shelf in Fisher County are typically products of sand deposits occurring at submarine canyons cut into the shelf, and they are found with multiple deposits of sand in groups either stacked or offset along strike
- These Canyon Sands are a productive, proven interval within our acreage, reserve analysis indicates significant remaining recoverable reserves. Although the primary pay zone of the Canyon Sand field has produced since the mid 1950's, other canyon sand deposits both above and below show potential hydrocarbon production based on log data
- Multiple wells have been drilled and completed in lower canyon sands in previously untested areas immediately south of our acreage within the last 2 years

Capitola Oil Project - Cline Shale

- Analysts calculate the Cline Shale as roughly 140 miles long and 70 miles wide and liken it to the next Eagle Ford or Bakken play with more recoverable oil and gas than both combined
- Also referred to as the Three Fingers Black Shale
- High Total Organic Content (TOC) 2-8%
 - Approximately 5-6% average TOC on Pryme acreage
- Porosity of 3-12%
- Natural fractures aid production
- Shallow at 6,000 feet (1,828 metres)
- Formation thickness of 200-500 feet (60-150 metres)
- Light sweet crude generally 38-42 gravity
- 85% oil and liquids-rich gas



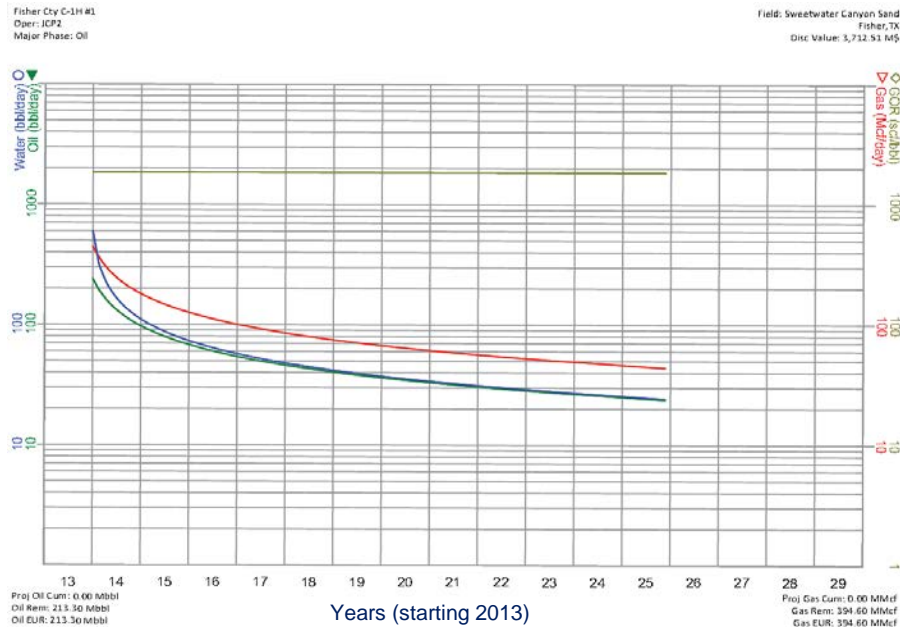
Devon McCall Cline Well Flare (within 2 miles of acreage)



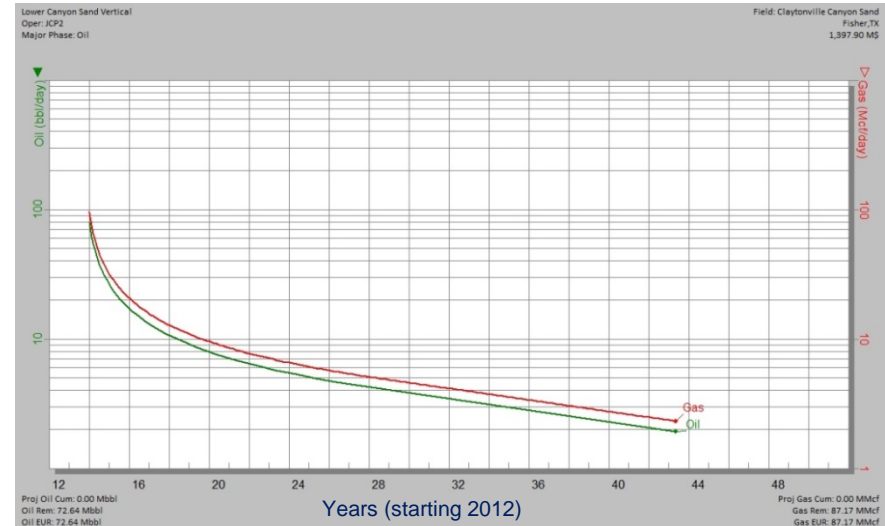
Cline Shale known outline showing horizontal well activity and acreage position in the north east section of the play

Capitola Oil Project - Typical well profile

- Development of the Breckenridge Lime and Canyon Sands formation will be by way of vertical wells initially to depths less than 6,000 feet (1,828 metres)
- Typical vertical fracked well costs approximately US\$950,000 to drill and complete and is expected to produce from 50,000 to 140,000 BOE assuming an initial production rate of 60 to 140 BOE/day



Cline Shale horizontal well type decline curve

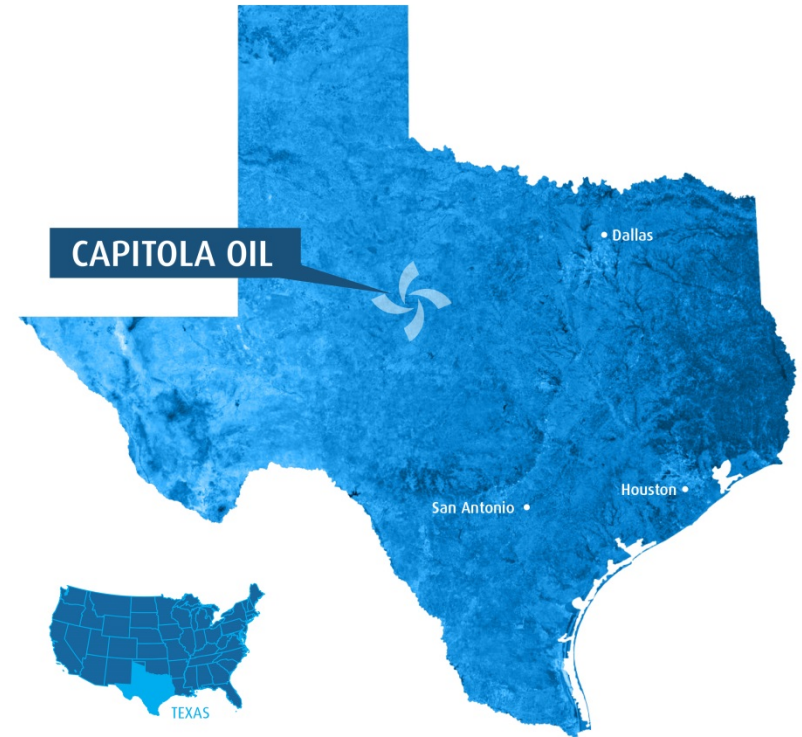


Breckenridge and Canyon Sands vertical well type decline curve

- Development of the Cline Shale formation will be by way of horizontal wells at depths of approximately 6,000 feet (1,828 metres)
- Typical horizontal Cline Shale fracked well costs approximately US\$6,600,000 to drill and complete and is expected to produce anywhere from 100,000 to 600,000 BOE assuming an initial production rate of 120 to 710 BOE/day

Capitola Oil Project - Location and geology

- The Eastern Shelf of the Permian Basin is emerging as a multiple shale and “stacked” carbonate resource play proven in recent drilling with IP’s of up to 1,000 BOE/day from horizontal drilling (200 BOE/day from vertical wells)
- Acreage located in Nolan and Fisher Counties, Texas, over two proven productive fields also containing redevelopment and secondary recovery opportunities
- The basin was once covered by the Permian Sea, which was hindered by a restricted outlet when it began to recede
 - The resulting inland sea evaporated over time in the hot dry locale
 - This ultimately led to formation of thick deposits of organic-rich sediments, creating one of the world’s most productive oil regions
- 1,500 vertical and 71 horizontal wells drilled in recent years through the Cline Shale
- All primary targets (Breckenridge Lime, Canyon Sands and Cline Shale) have been encountered on all well data, seismic, wireline logs and mud logs across all 9,200 acres



If Texas was a country it would be the 9th largest oil producing nation in the world surpassing Brazil, Venezuela, Nigeria, Mexico and Kuwait at 2.7 million barrels per day. This is mainly attributable to activity in the Permian Basin and Eagle Ford. (forbes.com)

Capitola Oil Project - Earn-in terms

- Pryme to earn into a 75% WI (56.25% NRI) in 9,333 acres to all depths from the surface to the top of the Cline Shale (7,000 net acres to Pryme) and a 50% WI (37.5% NRI) in all depths from the top of the Cline Shale and deeper (4,666 net acres to Pryme)
- Pryme is operator of the project and will earn its interest by drilling 9 vertical wells and 1 horizontal well into the stacked formations above the Cline shale on a well by well basis in a phased program over 2 years
- The project vendors are landmen and engineers with considerable Permian Basin experience; they will continue to be involved in and support the project. Pryme will fund 100% of the project cost for the first 3 wells. The vendors are entitled to a 25% WI in the first 3 wells after Pryme has recovered 100% of its costs for those wells combined (Back-in after Payout). The vendors are also entitled to participate in, and fund their share of costs at a 25% WI level, all wells from well 4 onwards
- Pryme has paid US\$100,000 cash and issued 6 million shares in Pryme Energy Limited to the vendors to secure the project. Pryme has the option to commit to the first phase of the project within three months. Phase I entails the drilling of 2 wells before August 1, 2014 and the payment of additional lease costs of US\$750,000 through the remainder of 2014
- Pryme will earn its acreage proportionately (on a well by well basis) through the drilling of 10 wells **targeting the Breckenridge Lime, Canyon Sands and Cline Shale and other secondary objectives at its sole discretion** over the next 2 years
- Pryme will pay additional cash consideration of US\$2.5 million through three staged payments beginning in the second half of 2014 as the project is proven up through the two year project term
- **The commitment to drill wells and the payment of cash over the next 2 years is at the sole discretion and option of Pryme aligning payments to the vendor to the success of the project**

Capitola Oil Project - Strategic advantages

- Drill to earn structure - minimal upfront cash payment (US\$100,000) and issue of shares to vendor
- Back-in after payout enables Pryme to cover all costs before carried working interest reverts
- Vendors paying their share and participating 25% WI from well 4 onwards
- Partnered with professional landmen with extensive leasing experience and connections in order to expand project
- Long term shallow oil development strategy within emerging oil shale play upside

Strategic Technical Advisers

Pete Lehle (Petroleum Geologist)

Based in Houston, Pete is an AAPG Certified Petroleum Geologist with over 30 years experience. He initially worked on international projects primarily in South east Asia and North and West Africa. Since 1986, he has worked with several independent oil companies exploring for and developing fields along the Texas Gulf Coast, in South Louisiana, the East Texas Basin, and along the Eastern Shelf of the Permian Basin.

Ryan Holcomb (Petroleum Engineer)

Over 10 years direct experience in the Permian Basin, Texas, with a focus on operations, secondary recovery implementation and facility design. Permian Basin roles with Pioneer Natural Resources to perform operational and reservoir engineering services and Whiting Petroleum as operations engineer from 2006. Based in Midland, Texas, Ryan is the President of H2P Operating, LLC and contract operator of the Capitola Oil Project.

Don Ellison (Petroleum Engineer)

Registered Petroleum Engineer in the State of Texas (www.tbpe.state.us), with over 45 years experience in petroleum engineering. Manager of production engineering for one of the largest independently owned oil and gas producers in Texas. The founder and developer of the first upstream joint venture between Tatneft, the state-owned oil and gas company of the Russian Republic of Tatarstan, and a US oil company.

Robert Jordan (Landman)

Professional landman with over 36 years experience covering all phases of the oil and gas exploration and production cycle. Based in Abeline, Texas, he has worked every major trend and play in Texas with extensive experience and expertise leasing highly prolific trends securing mineral acreage in high leasing activity locations.

Capitola Oil Project - Pay summary of primary objectives

Breckenridge Lime MD 4,500 feet

- Conventional objective (vertical and horizontal completion opportunities)
- Carbonate encased in shale just above Canyon Sands
- Shelf edge feature - porosity development and potential fracturing

Canyon Sands

- Conventional objective (vertical and horizontal completion opportunities)
- 4900' Sand MD 4,900 feet (Proved) - secondary sand development
- Upper Sand MD 5,000 feet (Proved) - secondary sand development
- A-D Sands MD 5,200 feet (Proved) - primary sand target, 2.0 MMBO gross remaining recoverable (1.125 MMBO net to Pryme)
- 5200' Sand MD 5,200 feet (Proved) - primary target, 1.8 MMBO gross remaining recoverable (1 MMBO net to Pryme)
- Lower Sand MD 5,500 feet - multiple show wells, offset operator having great success in this zone

Cline Shale MD 6,000 feet - extensive regional source play

- Unconventional (mainly horizontal completions)
- Core data indicates strong hydrocarbon generation

SYSTEM	STAGE	GROUP		
Permian	Wolfcamp	Tannehill		
		Saddle Creek		
		Flippen		
		Crystal Falls		💧
Pennsylvanian	Virgil	Cisco Group	King	💧
			Breckenridge	💧
			Gunsight	
			Swastika	
	Missouri	Canyon Group	Home Creek	
			Ranger	"Canyon Sands" 💧
			Winchell	💧
			Palo Pinto	💧
			Cross Cut	
			Morris	"Cline" 💧
	Des Moines	Strawn Group	Capps	
			Fry	
			Jennings	
			Gardner	
Gray				
Odom			💧	
Atoka			Bend Group	Caddo
Morrow		Big Saline		
		Marble Falls		
Mississippian	Chester			
	Meramec	Barnett		
	Osage	Chappel		
Ordovician	Upper			
	Middle			
	Lower	Ellenburger		💧
Cambrian	Upper	Wilberns		
		Hickory		
		Granite Wash		
	PreCambrian			

 Produces in the area
 Primary objectives



Capitola Oil Project - Objectives

Stage I Objectives

- Vertical wells in productive fields - establish production from known productive sands
- Testing prospective intervals with shows
- Take core and log data from prospective intervals on each of the two acreage blocks
 - Evaluate sands to complete field study on redevelopment opportunity
 - Evaluate Breckenridge Lime and Canyon Sands for horizontal completions
 - Learn from surrounding Cline activity and compile data on Cline penetrations on acreage

Stage II Objectives

- Vertically test infill locations in Canyon Sands
- Develop Lower Canyon Sands
- Possible test in Breckenridge Lime
- Vertically test Cline Shale

Stage III Objectives

- Horizontal well development in the Cline Shale
- Horizontal well development in Canyon and Breckenridge

Secondary Targets

- Flippen
- Caddo/Odom
- Ellenberger



Work over rig running production tubing on the Rosewood Plantation 21H well

Capitola Oil Project - Project potential

- Significant upside in a proven oil play for Pryme and its shareholders
- Multiple “stacked” conventional targets with Cline Shale upside (large independents currently proving up play)
- 200+ vertical locations to drill in Pryme acreage targeting multiple proven zones and other secondary objectives
- 60 horizontal locations in the Cline Shale alone drilled on 160 acre spacing
- Typical vertical fracked well costs approximately US\$950,000 to drill and complete and is expected to produce anywhere from 50,000 to 140,000 BOE assuming an initial production rate of 60 to 140 BOE/day
- Typical horizontal fracked Cline well costs approximately US\$6,600,000 to drill and complete and is expected to produce anywhere from 100,000 to 600,000 BOE assuming an initial production rate of 120 to 710 BOE/day

Recoverable Oil*	Low estimate	Best estimate	High estimate	Fractional recovery**
Breckenridge Lime	1.4 MMBOE	19.2 MMBOE	49.8 MMBOE	12.5%
Canyon Sands	6.9 MMBOE	8.7 MMBOE	10.6 MMBOE	18.0%
Cline Shale	0.8 MMBOE	5.9 MMBOE	13.8 MMBOE	6.0%
Total (BOE)	9.1 MMBOE	33.8 MMBOE	74.2 MMBOE	

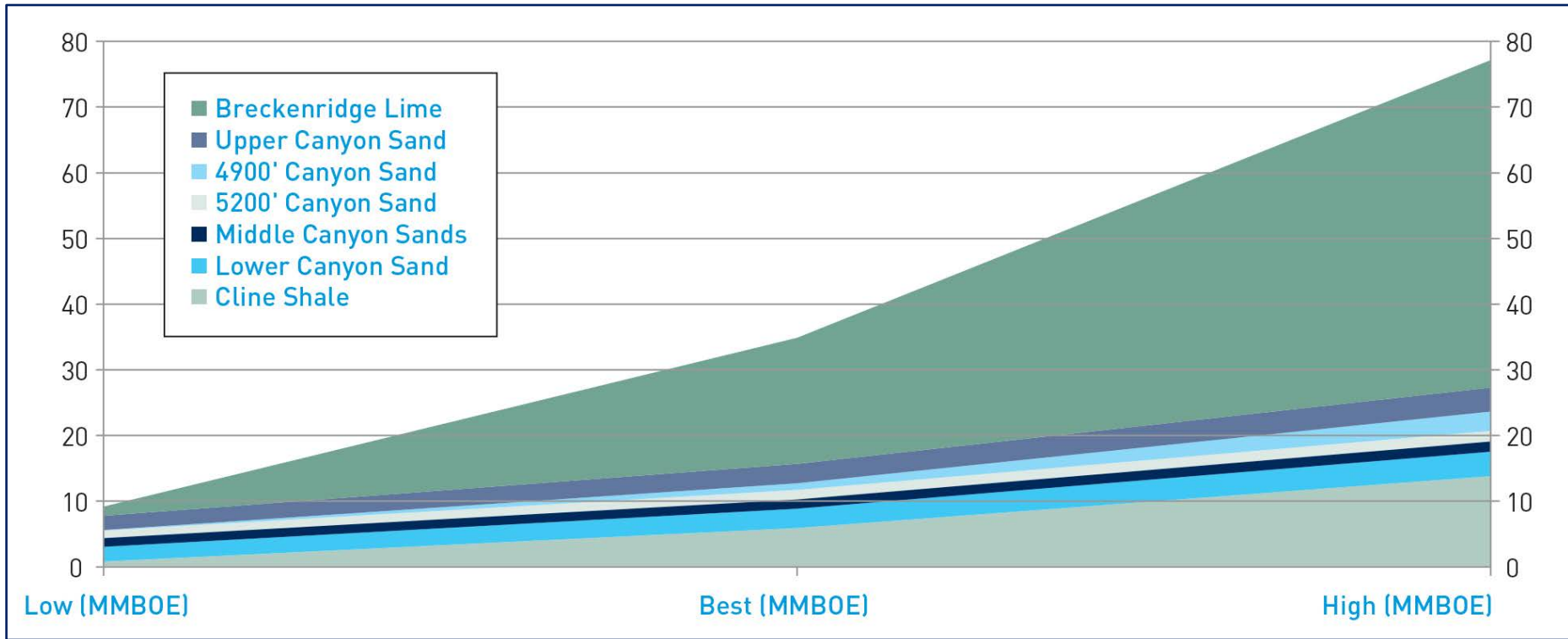
*Recoverable Oil calculated by determining Remaining Oil in Place and applying a fractional recovery percentage as at the date of this presentation. All figures are net to Pryme and have been determined using deterministic method for the Canyon Sands and probabilistic method for the Breckenridge Lime and Cline Shale under SPE-PRMS. Natural gas is converted to BOE on the basis of 6 Mcf of natural gas is equivalent to 1 BOE.

**Fraction recovery is calculated 1) Breckenridge Lime assumes general accepted recovery for solution gas drive reservoir, 2) Canyon Sands by material balance calculations, and 3) Cline Shale assumes generally accepted recovery for unconventional resource plays.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



Capitola Oil Project - Resource potential (primary objectives only)



- Resource potential calculated net to Pryme
- Breckenridge resource is based on a 12.5% recovery factor and using Pryme's NRI of 56.25%
- Canyon Sands resource is based on a 18.0% recovery factor and using Pryme's NRI of 56.25%
- Cline Shale resource is based on a 6.0% recovery factor and using Pryme's NRI of 37.50%

The path forward

- Producer with exploration and development upside
- Drill out 10 well program in Four Rivers “stacked” Middle Wilcox oil sand project - conventional exploration
 - Pryme free carried through casing point with option to increase WI on a prospect by prospect basis
- Optimize value in Turner Bayou
 - Install lift system on Rosewood Plantation 21H
 - Secure farm-in partner to fund additional drilling activity
- Focus on the exploration and development of the Capitola Oil Project in Permian Basin, Texas
- Add additional Gulf Coast exploration opportunities - focus on shallow oil
- Continue to build technical team
- Recovery of share price and company value
- Deliver significant year-on-year share price growth



Site of Rosewood Plantation 21H with well head on the right hand side and flare stack in the distance to the left



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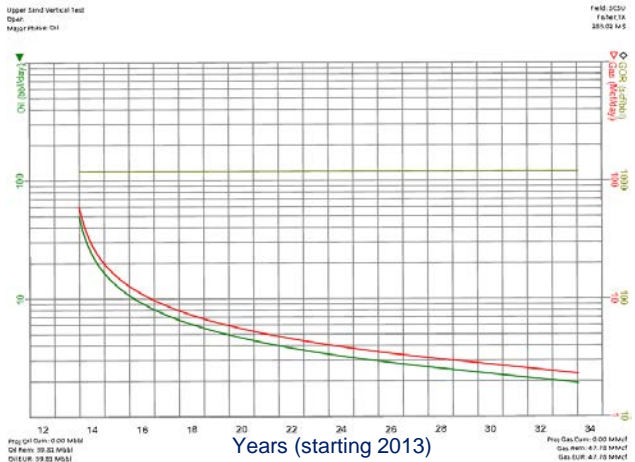
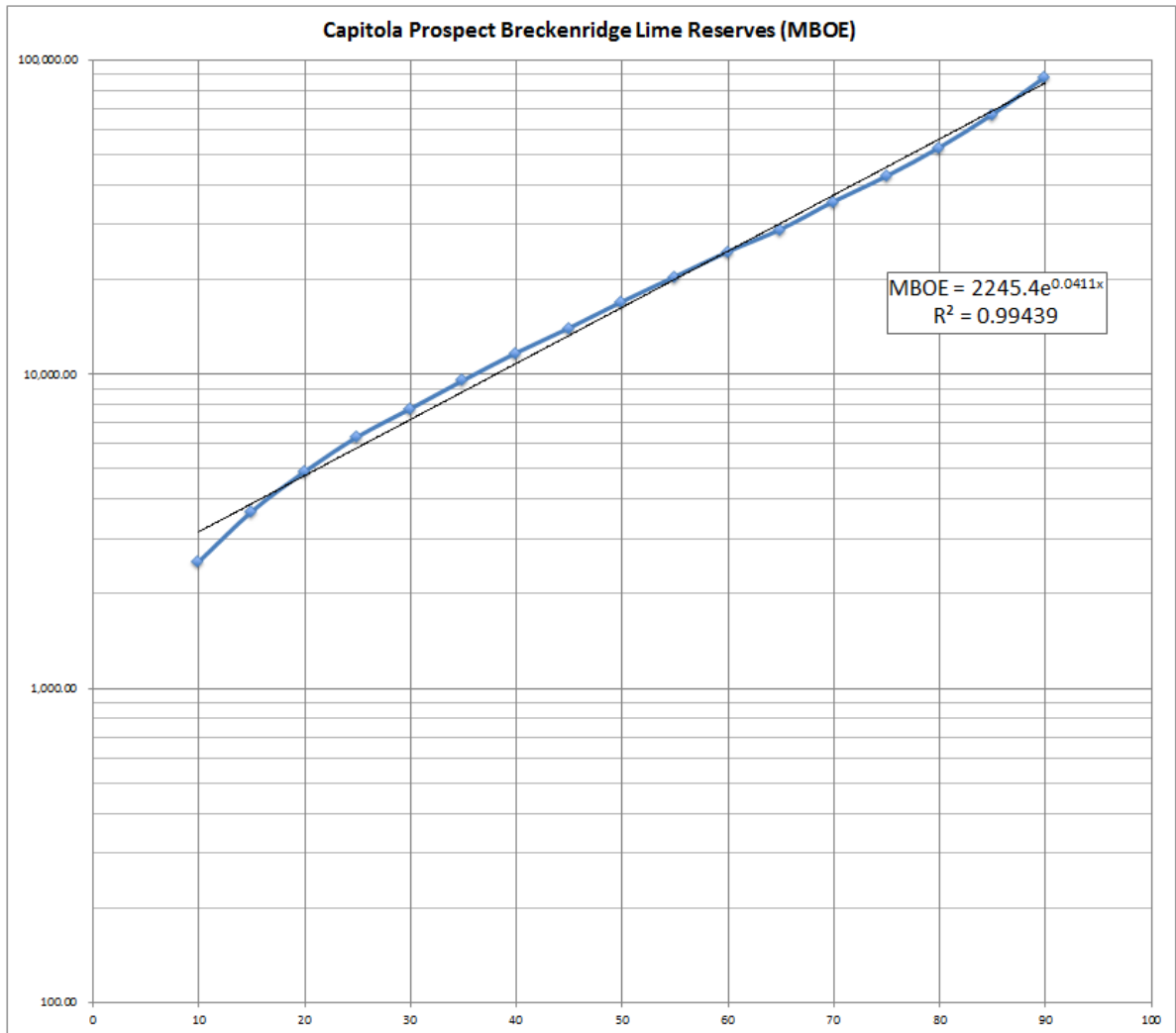


Appendices

Capitola Oil Project - Vertical Breckenridge Lime well economics

Gross Reserves Cumulative Distribution			
Cum. Dist	MBO	MMCF	MBOE
5	1,271.85	1,589.81	1,536.82
10	2,095.39	2,619.24	2,531.93
15	3,025.09	3,781.36	3,655.31
20	4,051.92	5,064.90	4,896.07
25	5,231.74	6,539.67	6,321.68
30	6,427.11	8,033.89	7,766.10
35	7,921.13	9,901.41	9,571.36
40	9,680.34	12,100.42	11,697.07
45	11,619.45	14,524.31	14,040.17
50	14,096.87	17,621.09	17,033.72
55	16,933.04	21,166.30	20,460.75
60	20,333.20	25,416.50	24,569.28
65	23,972.78	29,965.97	28,967.10
70	29,374.62	36,718.28	35,494.34
75	35,382.31	44,227.89	42,753.63
80	43,694.90	54,618.63	52,798.01
85	55,676.11	69,595.13	67,275.29
90	73,312.20	91,640.25	88,585.58
95	106,250.53	132,813.16	128,386.05

Item	Gross (8/8)	Net (56.25% NRI)	Units
Area	7,150.00	4,021.88	Acres
Arithmetic Mean	29,912.65	16,825.86	MBOE
Swanson's Mean	34,148.74	19,208.67	MBOE
P90	2,531.93	1,424.21	MBOE
P50	17,033.72	9,581.46	MBOE
P10	88,585.58	49,829.39	MBOE
40 Ac EUR	167.34	94.13	MBOE

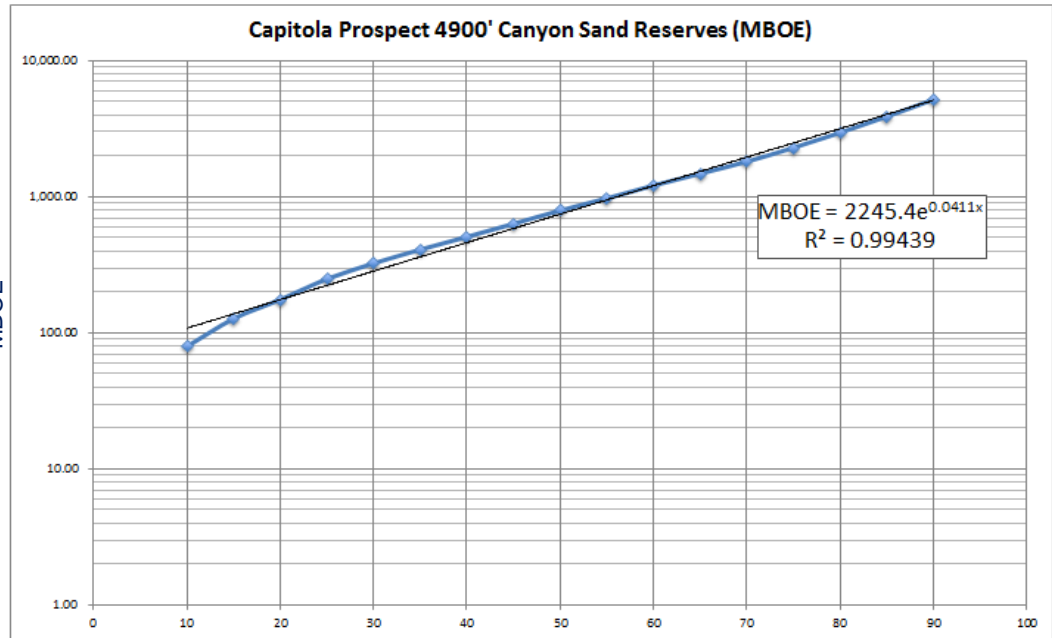


Cumulative probability distribution (represented as a percentage)

Capitola Oil Project - Vertical Canyon Sand well economics

Gross Reserves Cummulative Distribution			
Cum. Dist	MBO	MMCF	MBOE
5	23.74	47.48	31.65
10	59.52	119.03	79.35
15	95.20	190.40	126.93
20	131.49	262.98	175.32
25	186.63	373.26	248.84
30	243.08	486.16	324.10
35	306.46	612.92	408.61
40	380.59	761.18	507.45
45	474.90	949.79	633.20
50	594.66	1,189.32	792.88
55	730.77	1,461.54	974.36
60	908.26	1,816.53	1,211.02
65	1,110.27	2,220.54	1,480.36
70	1,360.47	2,720.93	1,813.95
75	1,719.94	3,439.87	2,293.25
80	2,219.89	4,439.77	2,959.85
85	2,913.08	5,826.17	3,884.11
90	3,893.18	7,786.35	5,190.90
95	5,483.83	10,967.65	7,311.77

Item	Gross (8/8)	Net (56.25% NRI)	Units
Area	2,300.00	1,293.75	Acres
Aritmetic Mean	1,602.52	901.42	MBOE
Swanson's Mean	1,898.23	1,067.75	MBOE
P90	79.35	44.64	MBOE
P50	792.88	446.00	MBOE
P10	5,190.90	2,919.88	MBOE
40 Ac EUR	27.87	15.68	MBOE



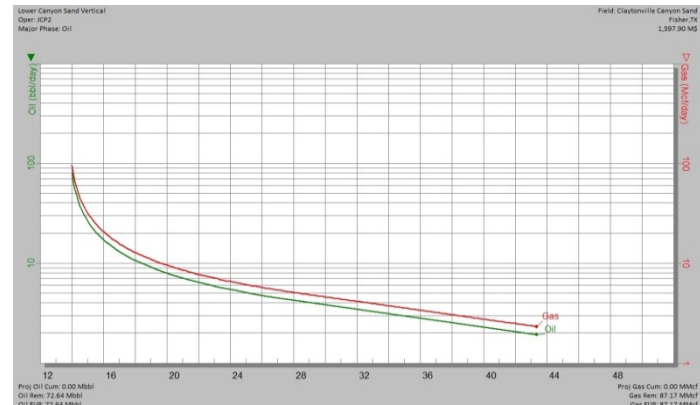
Cumulative probability distribution (represented as a percentage)

Capitola Prospect Canyon Sand Reserves (MBOE)

Gross Reserve	Best Case				Risk Factor	Low Case	High Case	#0 Ac Spots
	MBO	MMCF	MBOE	MBOE2				
Target								
Sweetwater Mid	2,202.00	2,202.00	2,569.00	10.0%	2,312.10	2,825.90	55.00	
Sweetwater Upg	4,318.00	5,397.50	5,217.58	25.0%	3,913.19	6,521.98	107.00	
Claytonville 5200	1,862.00	3,724.00	2,482.67	15.0%	2,110.27	2,855.07	46.00	
Claytonville Low	4,358.50	5,448.13	5,266.52	25.0%	3,949.89	6,583.15	60.00	
Total	12,740.50	16,771.63	15,535.77		12,285.44	18,786.10	268.00	

NRI	56.25%
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Net Reserves	Best Case				Risk Factor	Low Case	High Case	#0 Ac Spots
	MBO	MMCF	MBOE	MBOE2				
Target								
Sweetwater Mid	110,100.00	110,100.00	128,450.00	10.0%	115,605.00	141,295.00	55.00	
Sweetwater Upg	215,900.00	269,875.00	260,879.17	25.0%	195,659.38	326,098.96	107.00	
Claytonville 5200	93,100.00	186,200.00	124,133.33	15.0%	105,513.33	142,753.33	46.00	
Claytonville Low	217,925.00	272,406.25	263,326.04	25.0%	197,494.53	329,157.55	60.00	
Total	637,025.00	838,581.25	776,788.54		614,272.24	939,304.84	268.00	

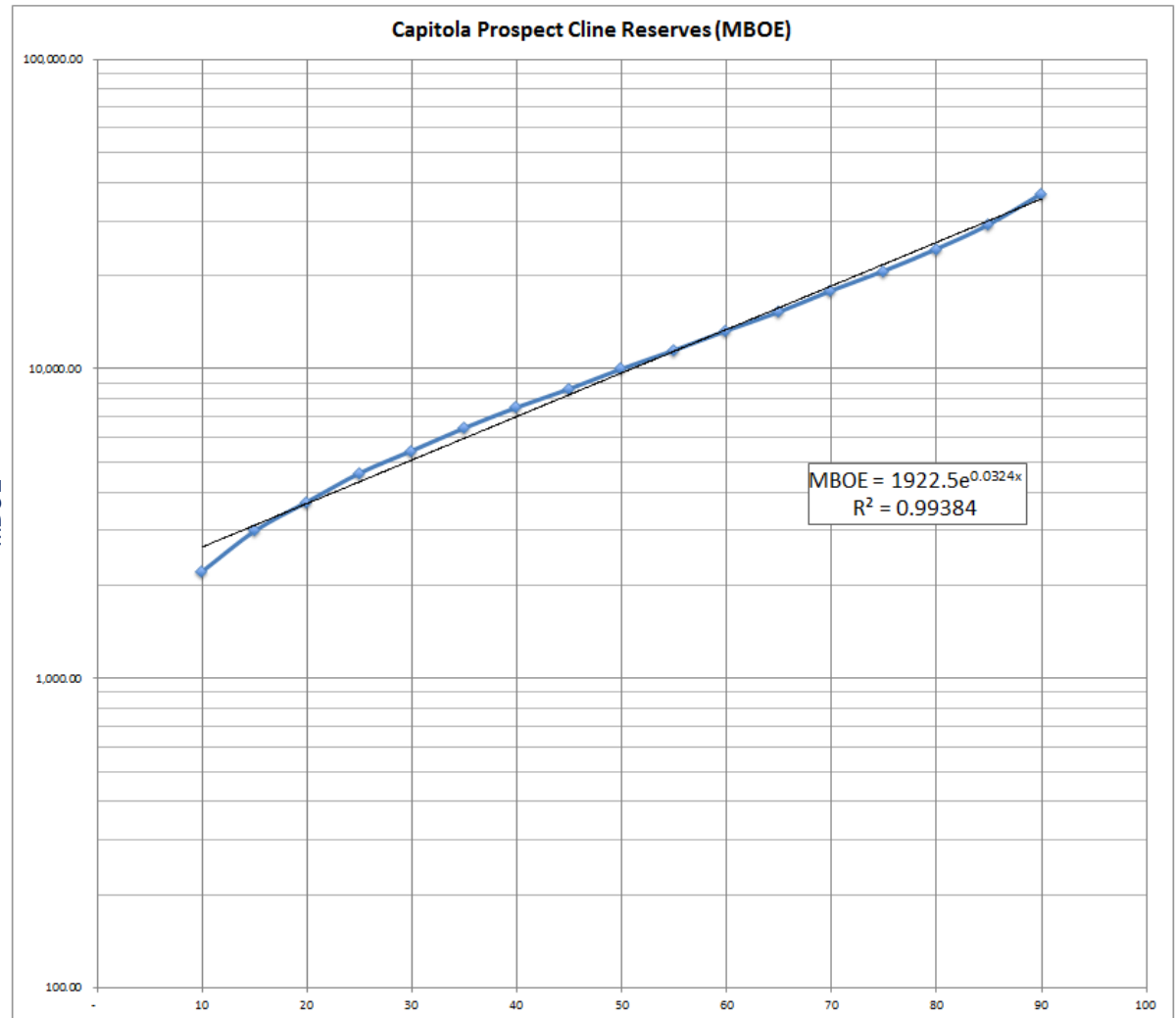
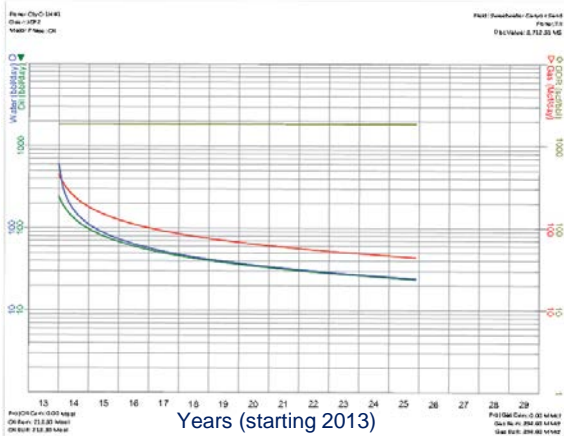




Capitola Oil Project - Horizontal Cline Shale well economics

Gross Reserves Cumulative Distribution			
Cum. Dist	MBO	MMCF	MBOE
5	1,120.63	2,017.13	1,456.81
10	1,706.39	3,071.49	2,218.30
15	2,307.47	4,153.44	2,999.71
20	2,862.38	5,152.29	3,721.10
25	3,544.89	6,380.80	4,608.35
30	4,190.05	7,542.08	5,447.06
35	4,959.73	8,927.51	6,447.64
40	5,781.42	10,406.56	7,515.85
45	6,632.12	11,937.81	8,621.75
50	7,704.33	13,867.80	10,015.63
55	8,842.14	15,915.85	11,494.78
60	10,235.92	18,424.66	13,306.70
65	11,771.88	21,189.38	15,303.44
70	13,793.90	24,829.02	17,932.07
75	15,967.26	28,741.06	20,757.43
80	18,789.90	33,821.82	24,426.87
85	22,547.92	40,586.25	29,312.29
90	28,348.54	51,027.38	36,853.11
95	38,703.85	69,666.93	50,315.01

Item	Gross (8/8)	Net (37.5% NRI)	Units
Area	9,200.00	3,450.00	Acres
Aithmetic Mean	14,355.47	5,383.30	MBOE
Swanson's Mean	15,727.67	5,897.88	MBOE
P90	2,218.30	831.86	MBOE
P50	10,015.63	3,755.86	MBOE
P10	36,853.11	13,819.91	MBOE
160 Ac EUR	249.66	93.62	MBOE
Variability	2.41	2.41	



Cumulative probability distribution (represented as a percentage)

Macquarie Bank credit facility

- Loan security is limited to the Turner Bayou Project assets
 - The company's other assets, including cash holdings, are excluded
- In September 2013 the credit facility with Macquarie Bank was renegotiated (see table)
- Amendments will allow the company to focus on
 - Optimizing production from its 3 existing wells
 - Continue activities with interested parties to buy and/or farm into Turner Bayou to fund additional drilling opportunities
 - Pursue further drilling opportunities in Turner Bayou, whether targeting the Austin Chalk formation or other objectives, through to the maturity date
- Pryme will continue to review and investigate the acquisition of one or more strategic assets to augment the exploration upside in Turner Bayou

Key amendments to credit facility

Maximum loan amount	Loan amount capped at currently drawn amount of US\$6.5m
Interest rate	2.00% p.a. payable monthly in arrears
Maturity date	28 February 2014 <ul style="list-style-type: none"> ○ May be extended if farm-in partner or purchaser obtained to close on acquisition ○ Negotiations underway to extend maturity date further by funding the installation of lift system on Rosewood Plantation 21H well
Net profits interest	25% of borrowers WI previously reserved for Macquarie Bank is cancelled and will be restored to borrower
Other	The borrower has retained an acquisitions and divestitures specialist to assist in maximising project value through a farm-out or sale or combination of both through to the maturity date

Pryme history

- **2006** Listed on ASX with producing Middle Wilcox oil asset with a mission to build a profitable exploration company
- **2007** Pryme shot 80 square mile (52,000 acre) 3D survey in Avoyelles Parish LA (Turner Bayou)
- Pryme acquires 25,000 gross acres, 10,000 net acres around Austin Chalk fracture anomaly
- **2009** Pryme begins Austin Chalk drilling program in Turner Bayou drilling the Deshotels 20H, completion complications hinder production
- **2010** Pryme focuses on organic growth strategy by exploring in Middle Wilcox trend (Four Rivers); increased cash flow by 34%
- **2011** Pryme completes second Austin Chalk well (Deshotels 13H) with additional mechanical problems hindering production
- **2012** Pryme takes over as operator of Turner Bayou Project and drills third Austin Chalk well (Rosewood Plantation 21H)
- Possible formation damage limiting production from Rosewood Plantation 21H well, evaluating options for remediation/stimulation
- **2013** Optimize value in Turner Bayou and review the business model, business processes and investment policy of Pryme
- **2013** Resumption of drilling in Four Rivers targeting multiple “stacked” oil sands
- **2014** Secure Permian Basin oil project, Capitola Oil Project

Glossary

A\$	Australian Dollars
US\$	United States Dollars
Bbls/day	Barrels (of oil) per day
MMBO	Million Barrels of Oil
MMBOE	Million Barrels of Oil Equivalent
BOE	Barrels of Oil Equivalent
BOE/day	Barrels of Oil Equivalent per day
BOE/month	Barrels of Oil Equivalent per month
Mcf	Thousand cubic feet (of natural gas)
Mcfd	Thousand cubic feet (of natural gas) per day
NRI	Net Revenue Interest
WI	Working Interest
TVD	Total Vertical Depth
TMD	Total Measured Depth
MD	Measured Depth
OOIP	Original Oil in Place
3.28 feet	Equals 1 metre



Crude oil tanker truck picking up oil from Turner Bayou