

March 2015 Quarterly Activity Report

30 April 2015

Company Snapshot

ASX Code:	PYM
Recent price:	A\$0.007
Cash on hand:	A\$6.1 million
Shares outstanding:	907,380,397
Options: (A\$0.02 exercise 23 July 2016 expiry)	458,340,516
Market Capitalisation:	A\$6.35 million
Share price range (12 months):	A\$0.005 - \$0.022

Production

Quarterly Sales Report (net to Pryme)

Project	March 2015 Quarter		Calendar Year to Date	
	Natural Gas (Mcf)	Oil/Condensate (Bbls)	Natural Gas (Mcf)	Oil/Condensate (Bbls)
Four Rivers*	0	1,769	0	1,769
Capitola*	1,649	5,564	1,649	5,564
Total**	1,649	7,333	1,649	7,333
Total (BOE**)	7,608		7,608	

* Actual sales for the last month of the quarter is an estimate based on production data from prior months of production.

** Natural gas is converted to BOE on the basis of 6 Mcf of natural gas is equivalent to 1 BOE.

Financial

Average net daily sales to Pryme's account for the March quarter were 80 Bbls/day of oil and 18 Mcf/day of natural gas. The increase in net production over the previous quarter is attributable to the Capitola Oil Project. Revenues will increase further during the June quarter based on current oil and natural gas production rates from Capitola as outlined below. Pryme's remaining legacy project, Four Rivers, has remained relatively stable through the first quarter. Cash on hand at 31 March 2015 was \$6.1 million with quarterly capital costs of \$2.1M invested in the Capitola project. We estimate a further US\$1.1M will be spent in Capitola over the coming quarter including the fracture stimulation and completion of the Shari Lynn well. Cash receipts from oil and gas sales for the quarter totalled \$0.3 million. Revenue for the quarter totalled \$0.3 million. Cash receipts may differ to reported revenue due to cash receipts from sales being disbursed net of royalties and the timing of working interest holder distributions by the operator.

Projects

Capitola Oil Project

By the end of the quarter Pryme was producing from the first three Capitola wells and had drilled the fourth well, the Shari Lynn No.1. The short term plans are to optimise production from producing wells, to complete the Shari Lynn and bring it into production, and to drill and complete the fifth well, the Fox 7-L4.

The previous 30 day average production from Capitola is 130 barrels of oil (98 barrels of oil net to Pryme) and 195Mcf of natural gas (146Mcf of natural gas net to Pryme) from the first three wells. Production is expected to increase through the second quarter after the Shari Lynn is brought online and continuous production is established from the Hope Boles well.

Concurrently with the development of the fourth and fifth Capitola wells an evaluation of project reserves will be undertaken. The reserve report will classify reserves from 1P, 2P through to 3P and provide further evidence of the value of the Capitola Oil Project. The results of the study are expected to be included in Pryme's June 2015 Half Year Report.

Following is a summary of the status of each well currently being operated by Pryme in the Capitola Oil Project.

Mahaffey Bishop PU1 (100% WI / 75% NRI before payout (75% WI and 56.25% NRI after payout))

The Mahaffey Bishop PU1 well in the Sweetwater acreage block was drilled to 6,090 feet (1,856 metres) and intersected 34 net feet (10 net metres) of oil and gas saturated sandstone within the Canyon Sand interval as well as encountering additional hydrocarbon shows in the Cline Shale and other intervals.

The well continues to exceed expectations with production peaking at over 100 barrels of oil per day and fairly steady production being established at around 90 barrels of oil per day (68 barrels of oil per day net to Pryme) with little or no decline in its production profile. The well is producing from multiple Canyon Sand intervals. The Cline Shale formation has been isolated due to excessive water production.

Hope Boles PU1 (100% WI / 75% NRI before payout (75% WI and 56.25% NRI after payout))

The Hope Boles PU 1, the second well to be drilled in the Sweetwater acreage block, was drilled to a depth of 6,050 feet (1,844 metres). Mud log and electric log data indicate that the primary objective, the multiple sand packages within the Canyon Sand formation, contains 94 gross and 36 net feet (11 net metres) of oil and gas saturated sandstone.

The Hope Boles' performance to date has been intermittent with oil production fluctuating at around 10-20 barrels of oil per day (8-15 barrels per day net to Pryme). Actions to improve the performance of the well have included drilling out the plug which isolated the Cline Shale from the Canyon Sands formation and allowing oil and gas from both zones to be produced to surface.

McCain 189-F1 (100% WI / 75% NRI before payout (75% WI and 56.25% NRI after payout))

The McCain 189-F1, is located in the Claytonville acreage block and was drilled to a depth of 7,300 feet (2,225 metres). Mud log and electric log data identified several intervals of oil and gas saturated rock aggregating approximately 170 net feet (51 net metres) in the Canyon Sand, Palo Pinto and Cline Shale. Other intervals with hydrocarbon shows were encountered in the Ellenburger formation which was also targets for this well.

The well is currently producing at an average rate of 36 barrels of oil per day (27 barrels net to Pryme) as well as 195 Mcf per day of natural gas (146Mcf per day net to Pryme) and associated liquids.

Natural gas sales commenced during the quarter. The value of the natural gas product is enhanced by its high liquids content which has elevated its energy content to approximately 1,700Btu/scf and delivers a substantial premium above benchmark natural gas prices which are based on an energy content of 1,100 Btu/scf.

Shari Lynn No.1 (100% WI / 75% NRI)

The Shari Lynn No.1 well, located in the Sweetwater acreage block of the Capitola Oil Project, was drilled to a depth of 5,621 feet (1,713 metres) in February. Mud log data identified several intervals with oil and gas shows within the Breckenridge Lime and Canyon Sand intervals.

The well is relatively close to the Mahaffey Bishop well and, when connected to pump and cleaned up, is expected to have similar production characteristics.

The Shari Lynn was fracture stimulated and completed in the Canyon Sand at the end of April. A rod beam pump has been installed and the well is currently producing back frack fluids.

Fox 7-L4 (100% WI / 75% NRI)

The Fox 7-L4 well will be drilled within the Sweetwater acreage block of the Capitola Oil Project and will target the Canyon Sand formation. Drilling will commence once the Shari Lynn is brought into production and oil and natural gas sales have commenced.



Electricity run to the McCain well in order to lower lifting costs

Completion of the Shari Lynn well underway



About the Capitola Oil Project

The Capitola Oil Project is located along the Eastern Shelf of the Permian Basin just north of the town of Sweetwater, Texas. The project contains a number of shallow, "stacked" formations to depths of 6,000 feet with established production history from vertical wells. These overlie the Cline Shale formation which is the subject of an emerging resource play of national significance. Pryme's value creation strategy is to develop the shallower, well-defined targets using advanced drilling, completion and stimulation technology, and to exploit horizontal development of formations where feasible.

The Capitola Oil Project acreage is contained within two blocks of contiguous leases referred to as Sweetwater (approx. 7,000 acres) and Claytonville (approx. 2,333 acres) to the north of Sweetwater. Pryme is the operator of the Capitola Oil Project.

There are three primary targets in Capitola along with numerous secondary targets. The primary targets, which persist throughout our acreage, are the Breckenridge Lime at 4,500 feet deep, the Canyon Sand series at approximately 5,200 feet in depth and the Cline Shale at 6,000 feet deep. Pryme proposes to earn a 45% working interest in 9,333 acres (4,200 net acres) in all mineral rights from the surface through to the top of the Cline Shale (Shallow Rights) and a 30% working interest (2,800 net acres) in all other rights including the Cline Shale (Deep Rights)

Four Rivers Project (8% - 25% WI)

The March 2015 quarter oil sales of 1,769 barrels (19 Bbls/day net to Pryme) were marginally lower than the previous quarter. This is mainly attributable to natural decline in production. Pryme has an interest in 1,260 acres (240 acres net to Pryme) located in LaSalle and Catahoula Parishes in Louisiana and Jefferson and Wilkinson Counties in Mississippi.

Oil and Gas Tenements

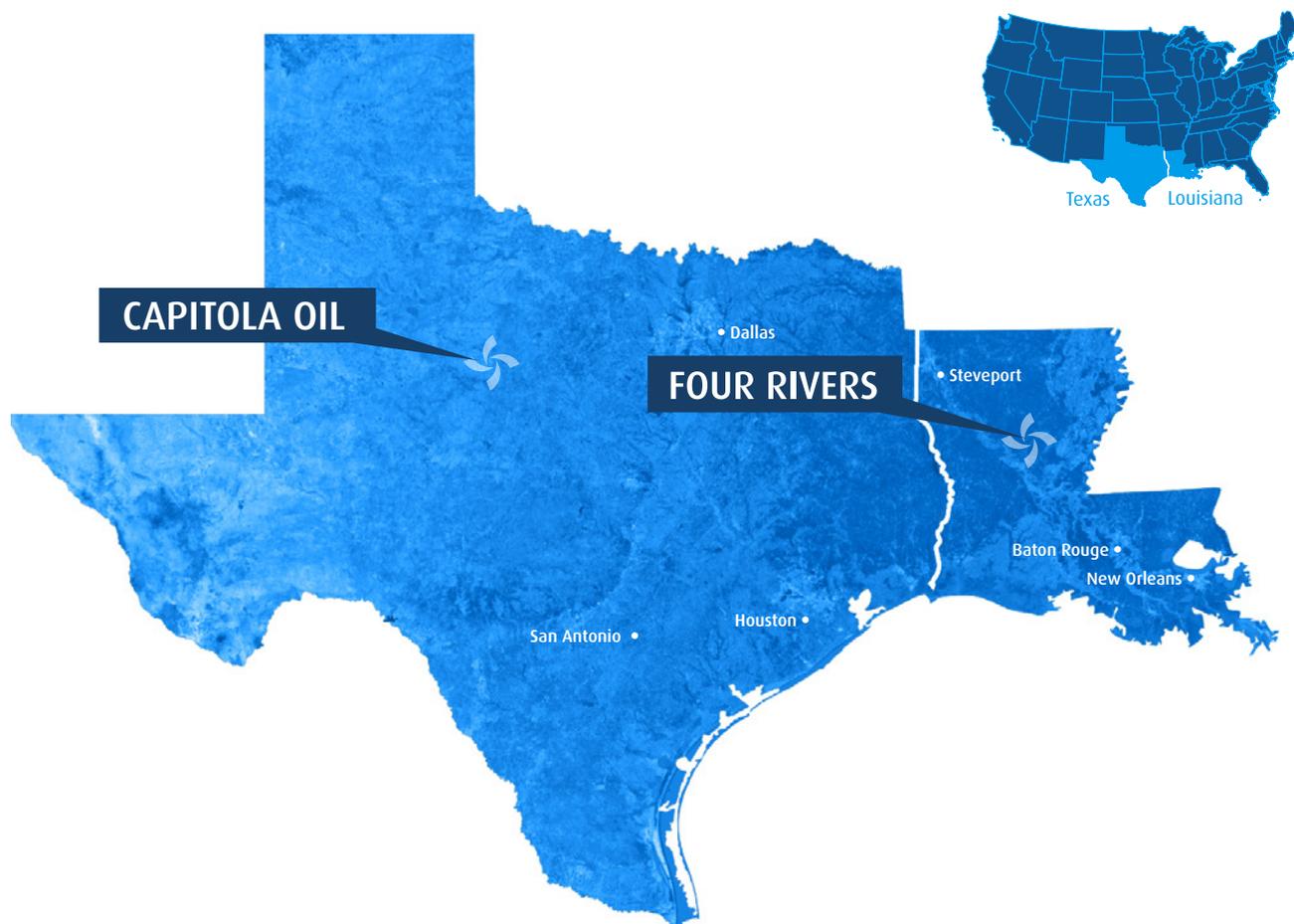
Earned Acreage in Capitola and Additional Drilling

In accordance with the terms of the Capitola Oil Project Farmout Agreement (Farmout Agreement), on drilling the first five wells in the project Pryme will have earned a 45% working interest (WI) (4,200 net acres) in the Shallow Rights and a 30% WI (2,800 net acres) in the Deep Rights. The drilling of each subsequent well is governed by the Joint Operating Agreement (JOA) whereby Pryme's minimum 45% working interest in the Shallow Rights and 30% WI in the Deep Rights is preserved and may increase depending on the funding elections of the other project participants.

In accordance with the terms of the Farmout Agreement, Pryme funded 100% of the costs of the first four Capitola wells and currently has a 100% WI in each of these wells. Pryme's interest in the first three wells will reduce to a 75% WI after the net revenue from all three wells has repaid the development cost (payout). Pryme's working interest in the fourth and fifth wells is preserved at a 100% working interest.

Project	Location	Interest acquired or disposed of during the quarter net to Pryme	Total acres owned net to Pryme	Working Interest held as at 31 March 2015
Four Rivers	LaSalle and Catahoula Parishes, Louisiana; Jefferson & Wilkinson Counties, Mississippi	-	240 acres	19% average in each well
Turner Bayou	Avoyelles Parish, Louisiana	1,560 acres disposed	-	-
Capitola	Nolan and Fisher Counties, Texas	Shallow Rights 700 acres acquired	3,500 acres	75%-100% in each well
		Deep Rights 467 acres acquired	2,334 acres	30%-50% in each well

Pryme Project Location



For further Company information please visit our website at www.prymeenergy.com or contact:

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Glossary

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

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity **ABN** **Quarter ended ("current quarter")**
Pryme Energy Limited **75 117 387 354** **31 March 2015**

Consolidated statement of cash flows

	Current quarter A\$'000	Year to date (3 months) A\$'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	254	254
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(2,075) - (293) (510)	(2,075) - (293) (510)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(13)	(13)
Net Operating Cash Flows	(2,627)	(2,627)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(2,627)	(2,627)

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,627)	(2,627)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,627)	(2,627)
1.20	Cash at beginning of quarter/year to date	8,440	8,440
1.21	Exchange rate adjustments to item 1.20	309	309
1.22	Cash at end of quarter	6,122	6,122

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	307
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	N/A

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	N/A
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	N/A

Appendix 5B

Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,480
4.2 Development	-
4.3 Production	-
4.4 Administration	309
Total	1,789

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,122	8,440
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,122	8,440

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

Appendix 5B

Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

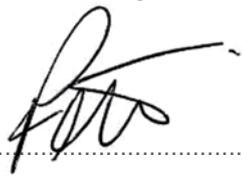
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities (description)	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	907,380,397	907,380,397	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities (description)	Nil	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	458,340,516	-	Exercise Price \$0.02	Expiry Date 23 July 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	NA			
7.12 Unsecured notes (totals only)	NA			

Appendix 5B

Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2015
(Director)

Print name: Justin Pettett

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.