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Turner Bayou Operational Update

Pryme Energy Limited (Pryme) provides the following update on operations at its Turner Bayou project in Louisiana, USA.

The Turner Bayou project comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Primary targets within the survey are the Austin Chalk formation at 15,300 feet and the Eagle Ford formation at 16,000 feet.

Deshotels 13H No.1 (40% Working Interest / 30% NRI)

Drilling of the surface hole for the second well in the Turner Bayou Chalk project, the Deshotels 13H No.1 in the North Bayou Jack Field, has been completed and casing has been run to a depth of 4,500 feet (1,370 metres). The small rig used for the surface hole will now be demobilized and a larger rig will be used to drill the remainder of the vertical section of the well and the lateral. Drilling with the larger rig is scheduled to commence in mid-June and is expected to take approximately 2 months.

Production facilities

Construction of the flow line from the Turner Bayou production facilities to the main gas sales pipeline has been completed and natural gas sales from the Deshotels 20H No.1 well are expected to begin soon. The production facilities have been designed to service both the Deshotels 20H No.1 and the Deshotels 13H No.1 wells.

The Turner Bayou project area in Avoyelles Parish, Louisiana remains unaffected by the current flooding of the Mississippi River. The opening of the Morganza Spillway, downstream of Avoyelles Parish, last weekend is not expected to impact on the project area.

Regular weekly operational updates on Turner Bayou and the drilling of the Deshotels 13H No.1 well will resume when the larger rig mobilizes to site in June.

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