



ASX / Media Release

2 January 2013

Rosewood Plantation 21H No.1 Drilling Update Turner Bayou Chalk Project

HIGHLIGHTS

- Currently drilling at 15,312 feet total measured depth

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 15,312 feet (4,667 metres). Building the radius to establish the horizontal leg of the well in the Austin Chalk formation is almost complete and drilling of the horizontal section of the well, using a rotary steerable drilling assembly, is expected to be underway towards the end of the week.

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.