



20 July 2011

Boardroom Radio Broadcast

Pryme drilling and rights issue update

Pryme Energy Limited (ASX: PYM) has joined the Boardroom Radio Australia (BRR) team to record and publish online broadcasts of various announcements it makes through the Australian Securities Exchange (ASX.) Please click on the following link to listen to this latest broadcast.

[Pryme Energy Limited – Boardroom Radio](#)

PRYME ENERGY LIMITED (PYM) provides the opportunity to listen to an audio broadcast with Mr Justin Pettett, CEO and MD in a presentation titled "Pryme drilling and rights issue update."

The presentation details are as follows:

-  Pryme drilling and rights issue update
-  Presented by Mr Justin Pettett, CEO and MD
-  Wed, 20 Jul 2011 8:30am AEST
-  A transcript of the broadcast is included below

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BRR INTERVIEW WITH JUSTIN PETTETT, MANAGING DIRECTOR, PRYME ENERGY LIMITED

Q1 Good morning and welcome to BRR. I'm joined by the Managing Director for Pryme Energy, Mr Justin Pettett. Justin, good morning and thanks for your time today.

A1 No problem, James. Thanks. It's good to be here.

Q2 Justin, to start things off, can I just get an update on the outcomes of the recent rights issue that Pryme undertook and how it leaves you terms of a funding position?

A2 We closed the rights issue off last week and announced yesterday the shortfall we had – approximately 25 per cent take up in the rights issue – which is okay from the management's perspective. The whole process of a rights issue from our Board's perception is to give all shareholders in Pryme the opportunity to take up shares in the Company before we go outside to new shareholders. So we've done that. Everyone has had an opportunity to take up shares at this low share price and now we will go out with the assistance of a couple of brokers and place the shortfall to some – some existing shareholders have put their hands up and we intend to get some new influential shareholders on board to get their toe in the water with Pryme Energy.

Q3 Okay. And in terms of the field activity, it's probably the main highlight on the Company at the moment, you're drilling your Deshotels 13H No. 1. Can you give us an update on the progress that you're making and, I guess, a bit of a forward-looking program?

A3 Without a doubt all eyes are on this well. As everyone would know, we drilled the Deshotels 20H well last year and had some mechanical issues with regard to the completion. We've addressed a lot of those or all of those issues in this latest well, the 13H, and drilling is going as planned and to budget. We announced today that we have installed our intermediate casing, so this is done – we have cased the vertical section of the well, and that's been cemented in place, and we've begun drilling out of the bottom of the casing shoe and begin our horizontal leg. That's a 4,000 foot horizontal lateral. We should be done drilling the lateral early August, so we're coming up to the exciting part of the well, the drilling of our horizontal leg, and we expect to see the same oil and natural gas fractures being intersected, that we saw in our 20H well and being produced back to the surface. We'll certainly keep the market up to date. But, to date, everything has gone to plan and we're very happy with the progress.

Q4 Okay. Great. Well, I guess we'll continue to follow the progress on the horizontal with your weekly drilling reports and we'll be very keen to get a full picture on how the well has progressed once you get to the completion of the horizontal. So, Justin, thanks for your time and we'll continue to follow the progress that you make.

A4 Thanks, James.

INTERVIEW CONCLUDED