

17 November 2011

Turner Bayou Chalk Project Operational Update

During the past 30 days Pryme has continued to monitor the performance of the Deshotels 13H and the Deshotels 20H wells in the Turner Bayou Chalk project. Production rates for these wells have been lower than expected and we believe that the drilling and completion methods were not optimal. This has delayed establishment of the production potential of the Austin Chalk formation within the project area.

Drilling of the third well in the Turner Bayou Chalk project has been re-scheduled to the first half of 2012 to allow monitoring and operational adjustments of the two existing wells to continue.

Deshotels 13H (40% Working Interest / 30% NRI)

The Deshotels 13H well continues to produce inconsistently. Oil production has increased and the production of formation water has dropped to around 5-10% of total fluid produced. We expect to establish an initial potential rate for lodging with the Louisiana Department of Natural Resources within the next two weeks. Shareholders will be advised of this at that time.

Deshotels 20H (40% Working Interest / 30% NRI)

Production from the Deshotels 20H has remained fairly stable at around 120 barrels of oil per day (36 barrels of oil per day net to Pryme) despite mechanical issues impeding its effective completion earlier in the year. It is proposed to postpone the remediation of this well until 2012 and to focus on boosting production in the short term with the installation of a down hole pump to mechanically lift the oil and natural gas to the surface.

Deshotels 24H Well

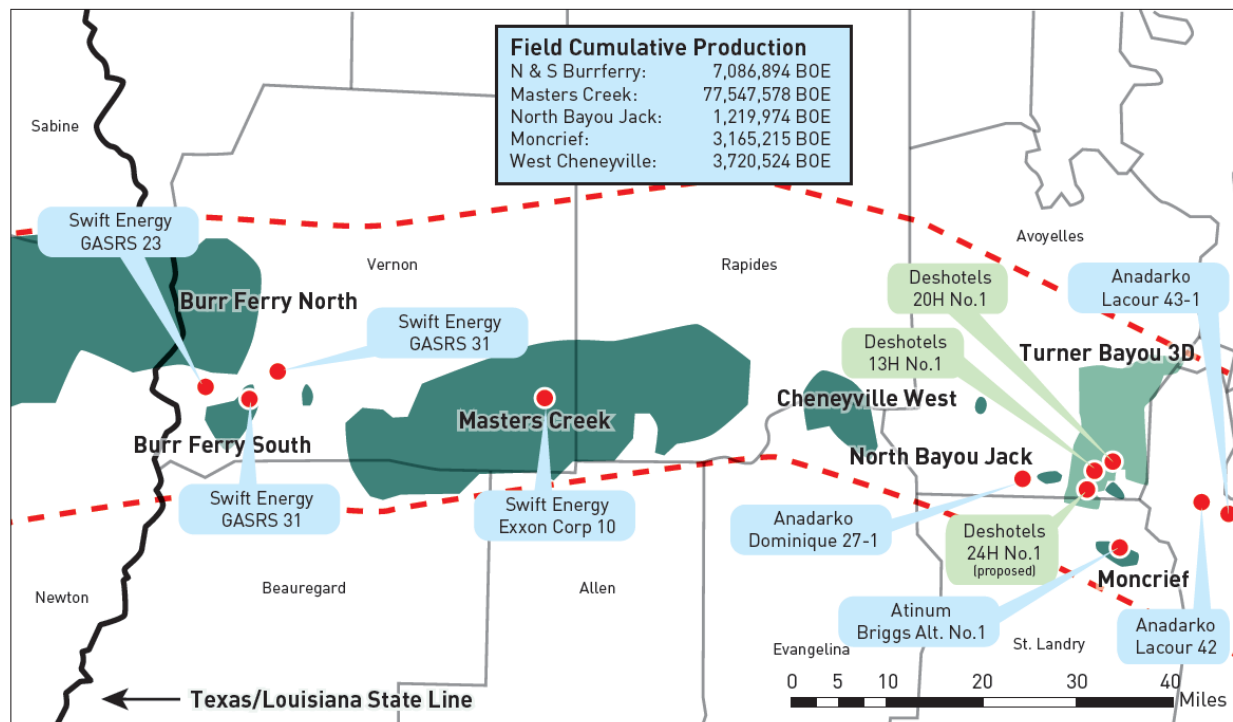
The Deshotels 24H No.1 well will be drilled from an extension of the Deshotels 13H No.1 well pad. Site preparation has been completed and drilling is expected to commence in the first half of 2012.

Regional Austin Chalk Activity

Anadarko Petroleum and other major operators are targeting the Austin Chalk and other formations in proximity to the Turner Bayou Chalk project (see map on the following page.) This provides an encouraging indication of the project's potential. We remain committed to this project and are confident that we can achieve better production rates and high ultimate recoveries.

"Interest in the Eagle Ford Shale and Tuscaloosa Marine Shale in proximity to the Turner Bayou Chalk project is gaining momentum with some attractive drilling and production results," said Justin Pettett, Pryme's Managing Director. "These formations exist within our acreage and have been identified from both proprietary 3D seismic data and hard data, acquired while drilling through the formations with the Deshotels 20H well, as targets with significant potential. We will keep shareholders informed as this new play progresses and gains more attention."

Austin Chalk Regional Trend Map and Project Location



Austin Chalk Initial Potential Rates

Operator	Well	Oil (bopd)	Gas (mcf/d)	Water (bwpd)
Atinum Operating, Inc	Briggs Alt. No.1	2,184	6,795	3,276
Anadarko Petroleum	GASRS 5 No.1	1,073	12,663	5,465
Anadarko Petroleum	Dominique 27 No.1	753	1,151	1,484
Nelson Energy	Deshotels 20H No.1	600	458	0
Anadarko Petroleum	GASRS 18 No.1	500	7,000	6,672
Anadarko Petroleum	GASRS 16 No.1	203	1,127	259

Source: Louisiana Department of Natural Resources www.sonris.com

About the Turner Bayou Project

The Turner Bayou project is a significant part of Pryme's exploration portfolio and comprises approximately 80 square miles (50,000 acres) which have been imaged by a proprietary 3D seismic survey. Primary targets are the Wilcox formation at 12,500 feet, the Austin Chalk at 15,300 feet and the Eagle Ford Shale at 16,000 feet. Pryme have approximately 9,600 net acres within the Turner Bayou project covering all depths representing up to 30 potential drilling locations in the Austin Chalk alone.

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Competent Person Statement

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.