

24 January 2012

Turner Bayou Chalk Project Well Updates

Rabalais 35 No.1 (8.8% Working Interest / 6.6% NRI)

The Rabalais 35 No.1 well in the Turner Bayou Chalk project is currently flowing back fluids injected into the well during completion and drilling mud. Flow back of these fluids is expected to be completed in the next 7-10 days at which time the hydrostatic head (load) will be off the formation and the well can be flow tested for production.

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

An artificial lift system (pump jack and rods) has been installed on the Deshotels 13H well in order to optimize well performance over the long term. The well's performance will be monitored over the coming week and updated production rates will be announced in due course.

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

Production from the Deshotels 20H has remained fairly stable at around 100 barrels of oil per day (30 barrels of oil per day net to Pryme) despite mechanical issues impeding its effective completion in 2011. A gas lift system is being evaluated to assist in producing oil and natural gas to the surface.

About Turner Bayou

Pryme has a 40% working interest in 24,000 acres (9,600 net acres) in the Turner Bayou Project and is initially targeting development of the Austin Chalk horizon. A total of 30 Austin Chalk well locations are possible within the project area based on a 640 acre well spacing.

The Rabalais 35 No.1, which was drilled by Anadarko Petroleum, is the third well in which Pryme has participated in the Turner Bayou project. Pryme's second well, the recently completed Deshotels 13H well (Pryme 40% WI) which is 4 miles south of the Rabalais 35 No.1, returned an initial potential rate of 1,167bpd of oil and 600mcf/d of natural gas despite a sub optimal completion method.

Recent successful wells in and around Turner Bayou are detailed in Table 1 and Figure 1 below. Pryme plans to spud its fourth well in the Austin Chalk prior to April 30, 2012.

In addition to the Austin Chalk potential of the Turner Bayou project area, Pryme is aware that several companies have achieved encouraging results from tests of the Eagle Ford and Tuscaloosa Marine Shales in proximity to Turner Bayou, these formations are included in Pryme's Turner Bayou leases. The Company will continue to monitor this activity and update the market as appropriate.

Austin Chalk Initial Potential Rates

Operator	Well	Oil (bopd)	Gas (mcf/d)	Water (bwpd)
Anadarko Petroleum	Lacour 43-1	3,000	2,500	600
Atinum Operating, Inc	Briggs Alt. No.1	2,184	6,795	3,276
Nelson Energy	Deshotels 13H No.1	1,167	644	350
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

**Table 1: Louisiana Department of Natural Resources www.sonris.com
Nelson Energy as operator denotes Pryme owned wells**

Austin Chalk Regional Trend Map and Project Location

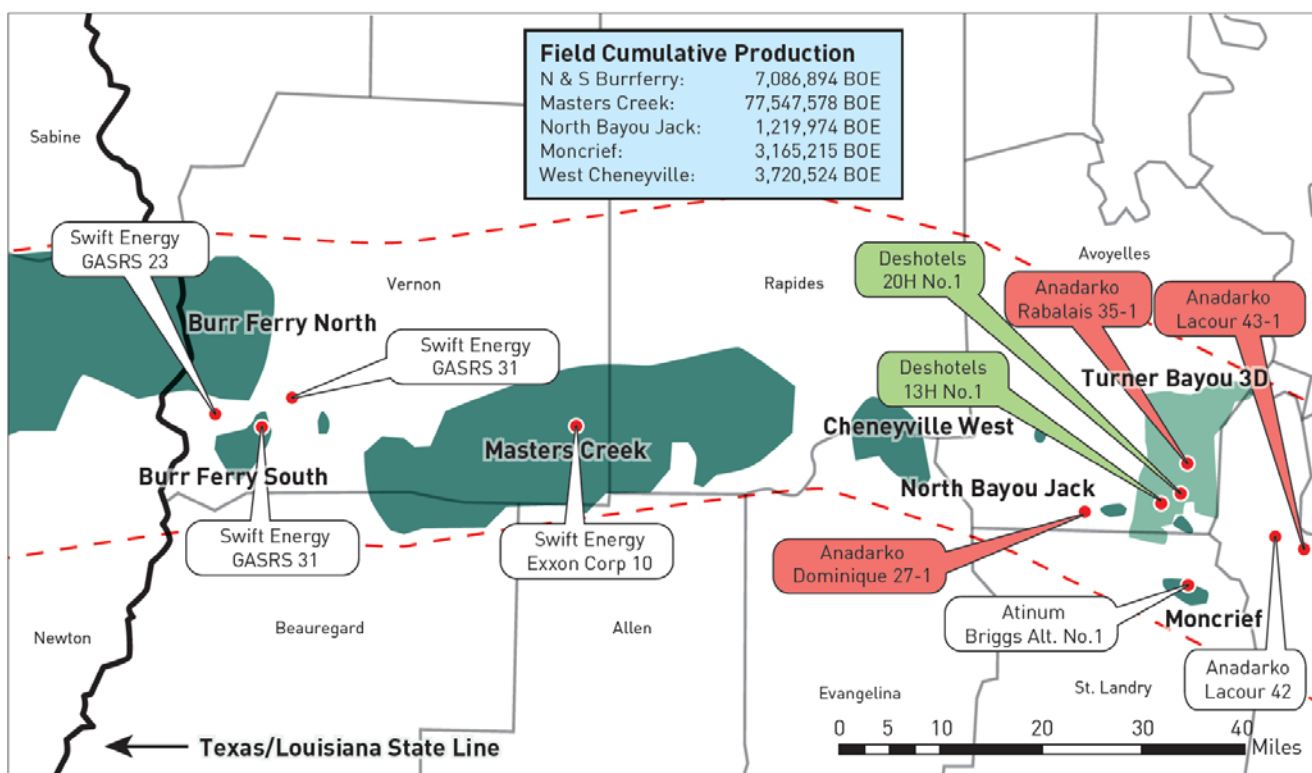


Figure 1

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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.