



4 April 2012

Pryme's Turner Bayou Project a Company Making Play

Boardroom Radio Webcast

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

[Pryme's Turner Bayou Project a Company Making Play – Boardroom Radio Webcast](#)

Please find enclosed a copy of the presentation from the webcast updating the market on our Turner Bayou project located in Avoyelles Parish, Louisiana.

A copy of this presentation is also available from our website www.prymeenergy.com.

The presentation details are as follows:

-  Pryme's Turner Bayou Project a Company Making Play
-  Presented by Mr Justin Pettett, CEO and MD
-  Wednesday, 4 April 2012 11.00am AEST
-  A copy of the presentation is enclosed

A full listing of BRR interviews and webcasts from Pryme Energy can be found at our website by [clicking here](#).

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ASX Code: PYM

OTCQX Code: POGLY

Pryme Energy Limited

ASX Code: PYM

Turner Bayou Project Update and Investor Presentation

April 2012

Disclaimer, Forward Looking Statements and Competent Person Statement

This presentation has been prepared by Pryme Energy Limited (the “Company”). This presentation is being provided to investors for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of the Company. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in the Company.

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Technical information contained in this presentation in relation to Turner Bayou was compiled by Pryme and 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 consents to the inclusion in this presentation of the information in the form and context in which it appears.

ASX Code: PYM

Shares on issue 259,360,278

Market Cap \$13.5m

Price Range 12 months \$0.04-\$0.18

Current Price \$0.053
(as of 2 April 2012)

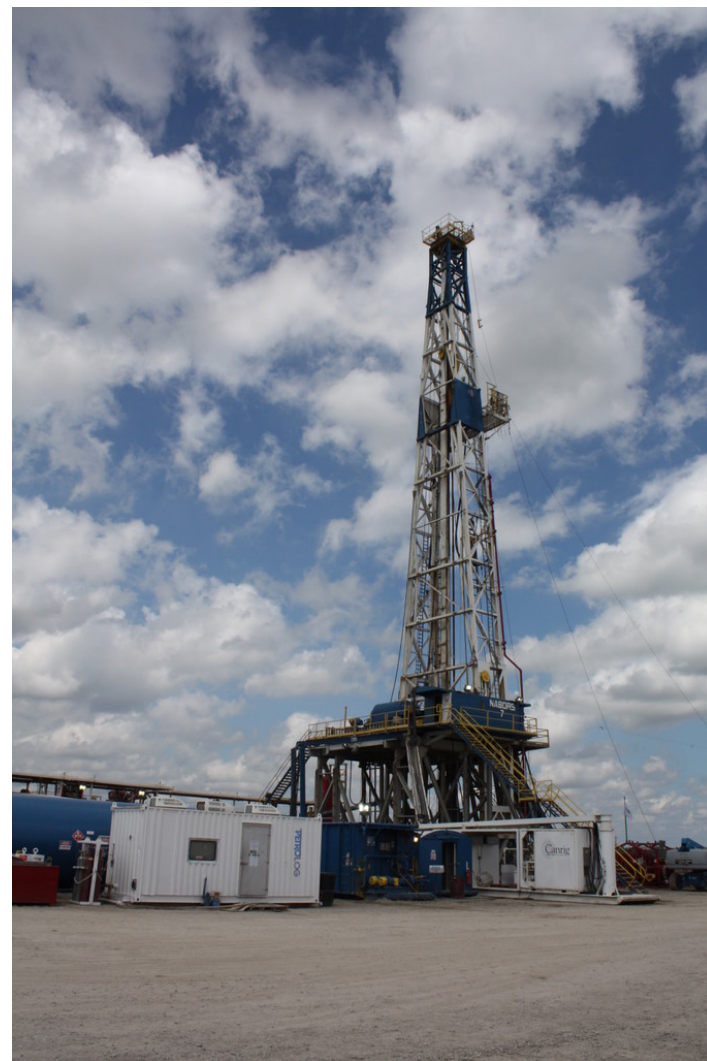
Major Shareholders

Belmont Park Investments Pty Ltd	14.83%
Panorama Ridge Pty Ltd	14.65%
Mr Anthony Rispoli	4.14%
BT Portfolio Services Limited	3.18%
Mr Peter Daniels Adams	2.78%
Pettett Pty Ltd	1.69%
Jojetto Pty Ltd	1.61%

Top 20 Hold 55.00%

Cash position A\$5.2 million

2011 calendar year revenue from sales US\$4.3 million



Corporate History

Incorporated October 2005

ASX Listing April 2006

Projects on listing LaSalle Parish Project
Turner Bayou 3D Seismic

Corporate Vision Identify, explore and develop high return oil and gas projects from a platform of low risk, profitable and long life oil and gas income

12 Month Plan Execute on Turner Bayou “Company Maker” project
Continue to review, evaluate and high grade next “High Impact” project

Board of Directors George Lloyd (Chairman)
Justin Pettett (Managing Director)
Ryan Messer (Chief Operating Officer)
Greg Short (Non-executive Director)



Pryme Energy ASX Share Price Trading History (12 months)

PRYME ENERGY LIMITED FPO (ORDINARY FULLY PAID)

Thu 29 Mar 2012 1:40 PM (Sydney time)

Compare ▼ Upper Indicators ▼ Lower Charts (up to 2) ▼ Chart Style ▼ Save Refresh

Date Range: 1d | 5d | 1m | 3m | 6m | YTD | 1y | 3y | 5y | 10y | All | Custom

☐ Draw trend lines



Company Snapshot

Major Exploration Upside through Turner Bayou

Stable oil and natural gas production

Current Daily Production (Net to Pryme)

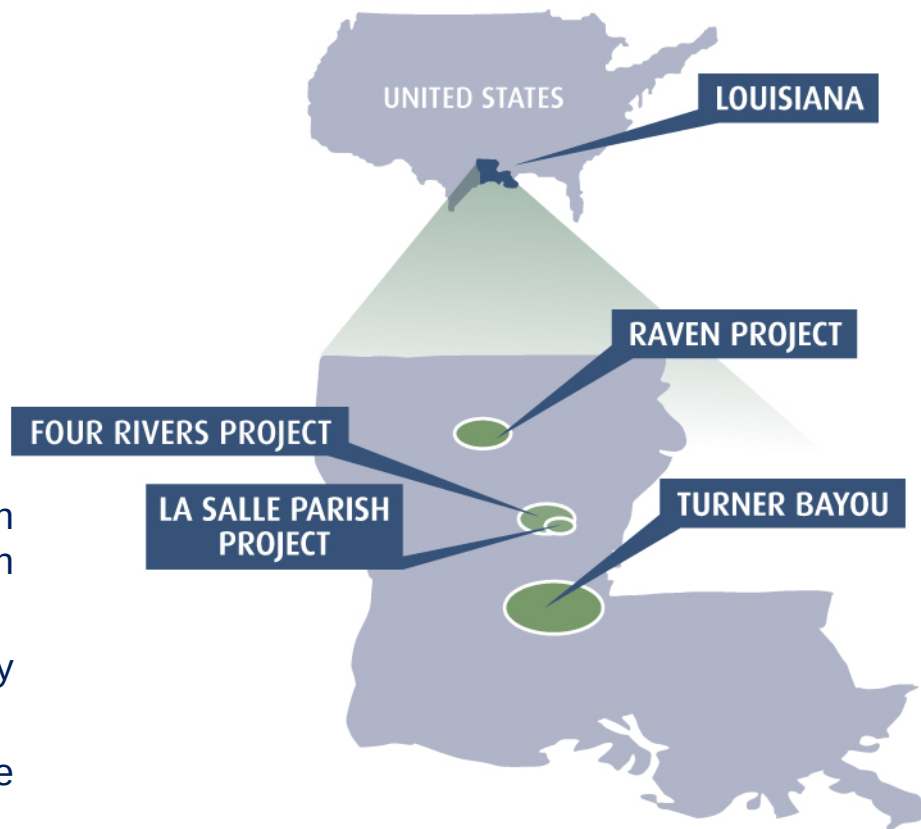
Oil	82 Bbls/day
Natural Gas	165 Mcf/day*

Total /Day	110 BOE/day
Total /Month	3,344 BOE/month

*Natural gas is converted at a ratio of 6.1:1 into barrels of oil equivalent.

A Pryme Platform for Growth

- A combination of low risk oil and gas exploration and production with substantial upside from high impact exploration
- Strong, strategic mineral lease positions in key projects
- High impact projects with very large upside potential
- Strong deal flow



Oil and Gas Reserves at 31 December 2011

RESERVE CATEGORY	1P - Proved			2P - Probable		
PROJECT	Oil MBO	Gas MMCF	Total MBOE	Oil MBO	Gas MMCF	Total MBOE
LaSalle	113.2		113.2	3.4		3.4
Four Rivers	73.1		73.1			
Raven	25.1	1,371.4	249.9			
Turner Bayou	694.8	91.7	709.8	1,053.4	769.6	1,179.6
Totals	906.1	1,463.1	1,146.0	1,056.8	769.6	1,182.9

MBOE – Oil equivalent expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons

Value per share calculated by dividing current shares on issue into discounted cash flow for each project using an AUD/USD exchange rate of 1.00 from Petro Partners, Inc summary of reserves as at 31 December 2011

Value Proposition

- Proven reserves in Turner Bayou are based on the area of influence of the Deshotels 20H and 13H and reflects their sub-optimal completion and low levels of production. The reserve estimate does not reflect the potential of the project area which is much greater than this area of influence
- 1P and 2P NPV10 **valued at A\$0.32 per share**
- 1P and 2P oil reserves only **valued at A\$6.61 per barrel**
- 1P and 2P oil and natural gas reserves **valued at A\$5.57 per barrel** of oil equivalent
- Improved results from new Turner Bayou wells will significantly impact all reserve categories positively

Turner Bayou

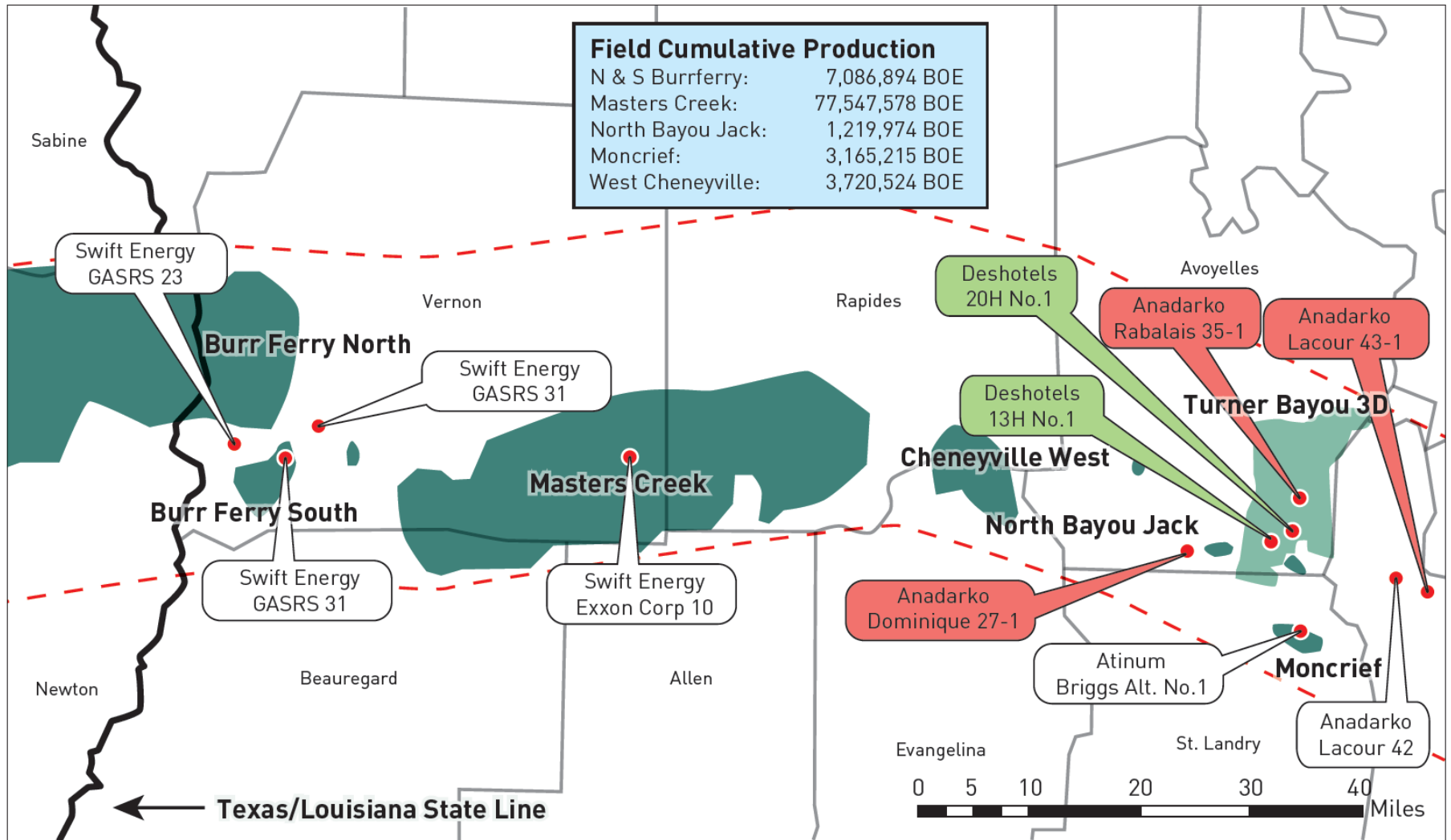
A Company Making Project

- Shot 80 square mile (52,000 acre) 3D survey in 2007
- 24,000 acres under lease (9,600 acres net to Pryme) in Austin Chalk play area
- Pryme owns 40% working interest (30% NRI)
- Recoverable oil 500,000 Bbls – 1,000,000 Bbls per well (150,000 Bbls - 300,000Bbls per well net to Pryme)
- Based on 640 acre well spacing, we estimate that, fully developed, the prospective area has potential to support up to 30 wells
- Initial production rates average over 1,000 barrels per day of oil in region
- Significant shows and/or production from all targeted intervals
- Oil attracts premium of approximately 10% on West Texas Intermediate (WTI) pricing due to demand in the local area



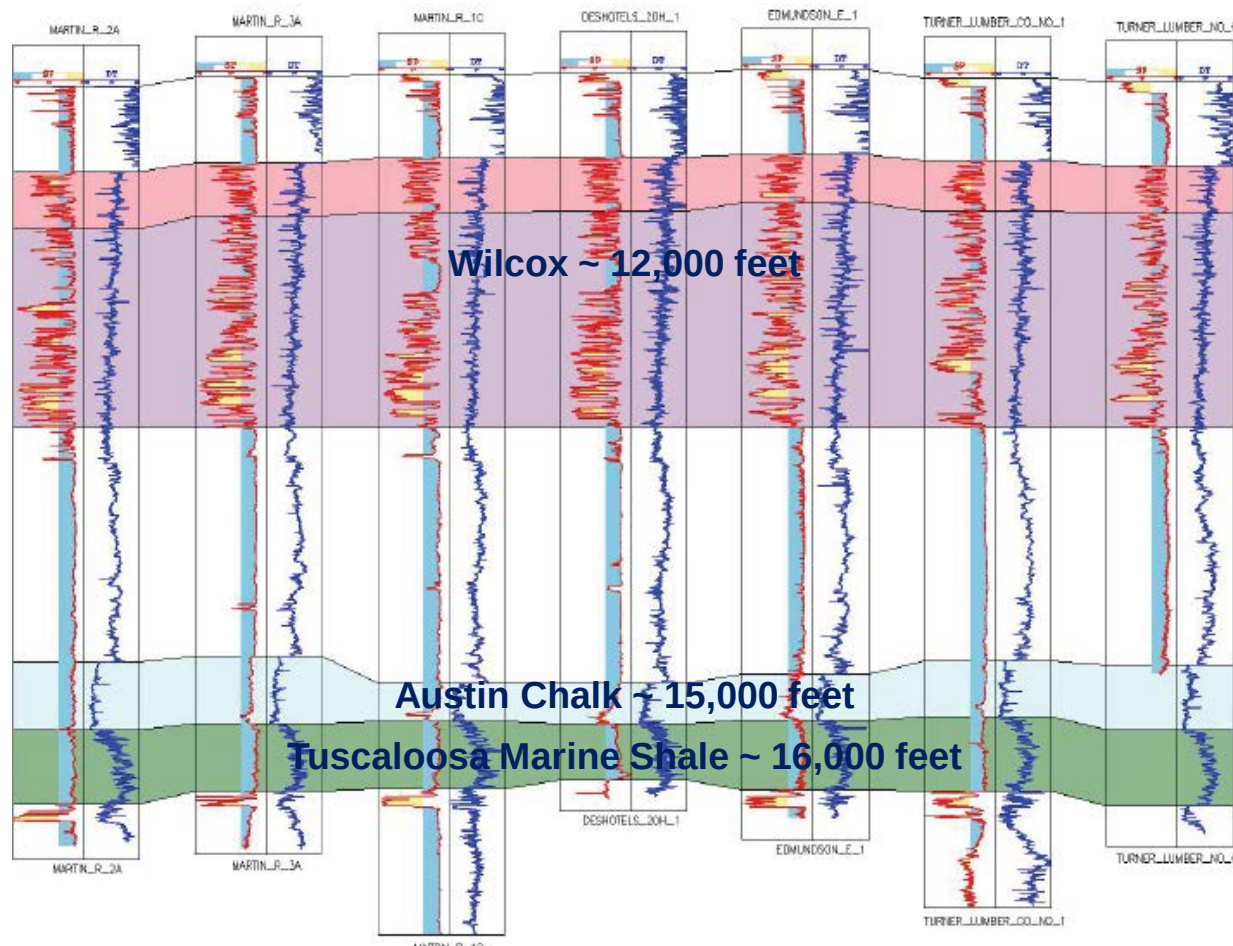
High rate of return in the area

Austin Chalk Regional Trend Map and Project Location



Turner Bayou Stratigraphic Column

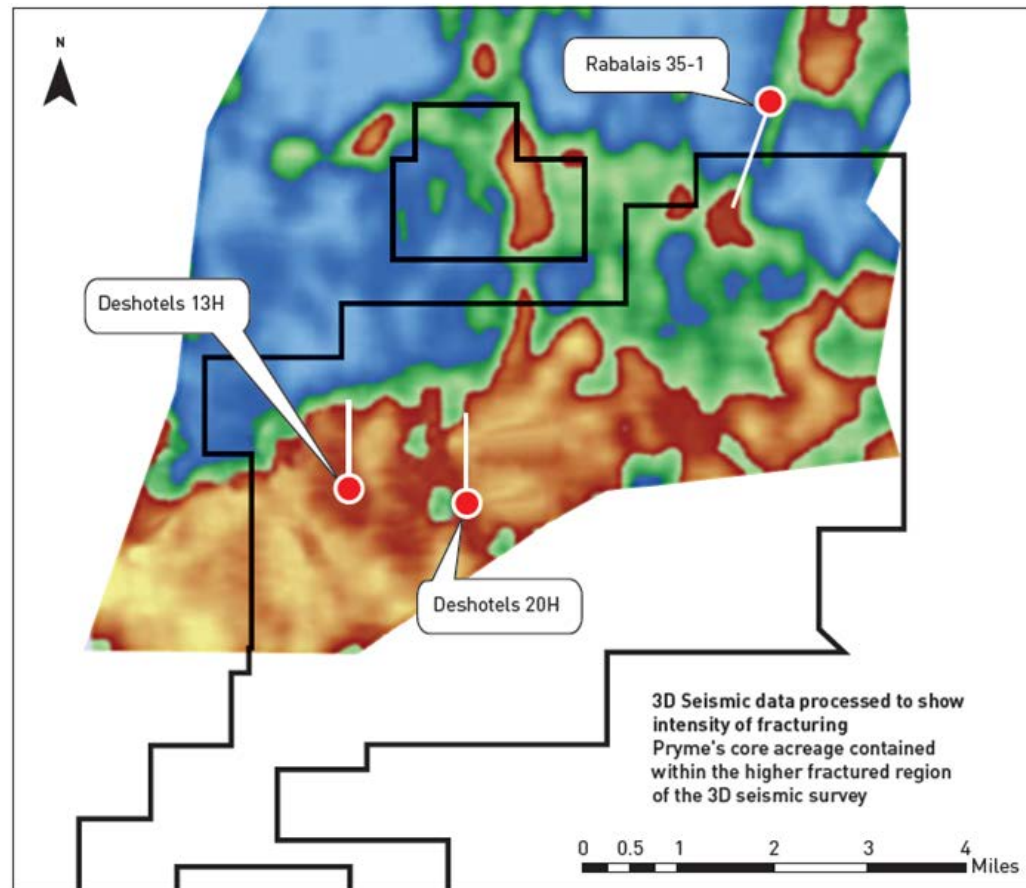
- Thinner chalk is one element that dictates better production in Masters Creek Field to the west due to higher fracture density



The TMS is the Louisiana equivalent of South Texas' highly prospective Eagle Ford formation

Higher fracture density the higher the productivity of the Austin Chalk

- Horizontal drilling increases potential of productive structures
- Several vertical wells were drilled on our survey in the period from the late 1970's to the mid 1990's and include one of the best vertical wells in the trend which produced 572,000 Bbls of oil and 0.58 Bcf of natural gas from one fracture network
- Interpretation indicates an erosional event occurred during the Upper Cretaceous age causing chalk to thin from 1,000 feet to 450 feet in some sections
- Results of Deshotels 20H, 13H and Rabalais 35H well support geologic and geophysical interpretation



Turner Bayou acreage over 3D seismic survey

Deshotels 20H (40% WI)

- 12 major oil and gas bearing fracture zones, many smaller fractures intersected
- Gas shows and oil over shakers while drilling
- Currently producing 75 barrels of oil per day gross (23 barrels per day net to Pryme)
- Not indicative of expected production rates due to mechanical problems during completion and stimulation which were not encountered in second well
- Plan to install lift system on well to improve production



Deshotels 13H (40% WI)

- 15 major oil and gas bearing fracture zones, many smaller fractures intersected
- Burning up to a 70 foot flare and oil produced to surface
- 128 oil bearing fractures indicated by fracture identification log
- Currently producing 60 barrels of oil per day gross (18 barrels per day net to Pryme)
- Mechanical failures with the installation of Packers Plus production liner
- Well currently on pump



Austin Chalk Potential

- Extensive fracturing and oil and gas produced to surface during drilling were observed in both the Deshotels 20H and 13H wells
- Third party engineering studies have confirmed this view
- Sub optimal completion techniques and major mechanical issues during completion resulting in lower than expected production rates – **Completion techniques have been refined using large independent oil and gas companies' proven methodology**
- Acreage in Austin Chalk “sweet spot” surrounded by Anadarko and Atinum with Swift to the west

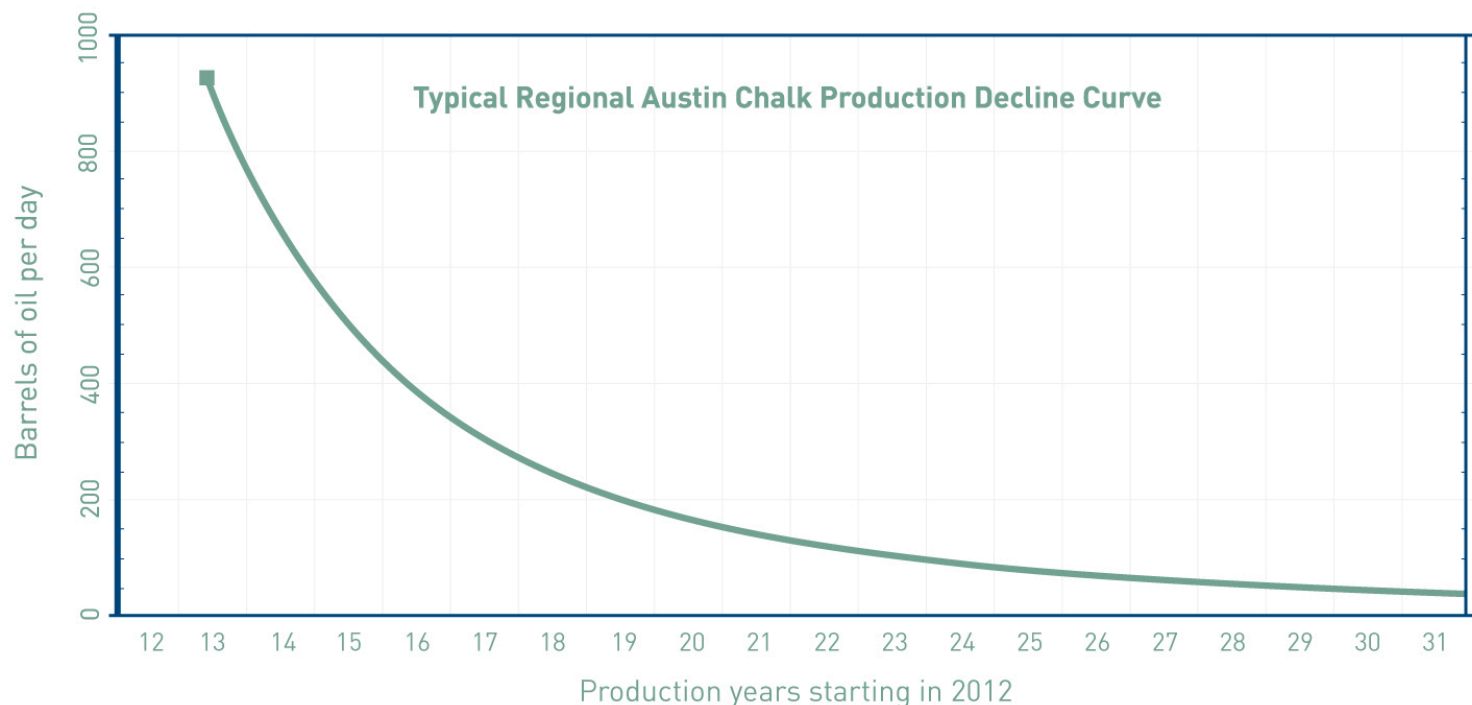
Austin Chalk Initial Potential Rates

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

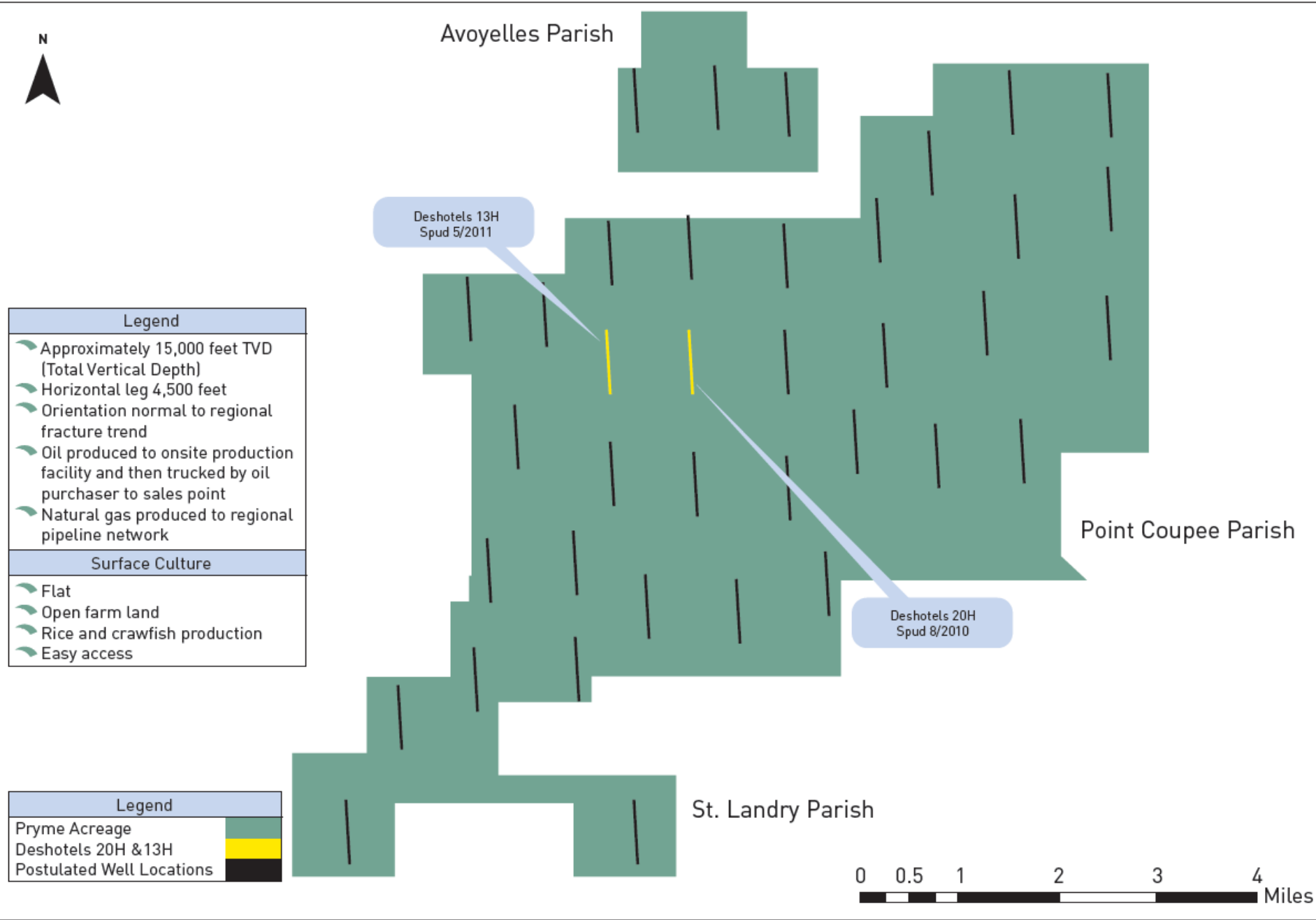


Development of the Austin Chalk in Turner Bayou

- Development model using the following assumptions:
 - 920 barrel per day average Initial Production (IP)
 - 750,000 barrels of oil recovered per well (gross)
 - Typical production decline curve based on average analogue well production histories
 - US\$17.5 million undiscounted cash / US\$13 million NPV10 valuation per well net to Pryme
 - Well cost range US\$2.8m to \$3.2m net to Pryme (US\$7m–US\$8m gross per well)



Schematic Turner Bayou Project Development Model (Assuming Continued Success)

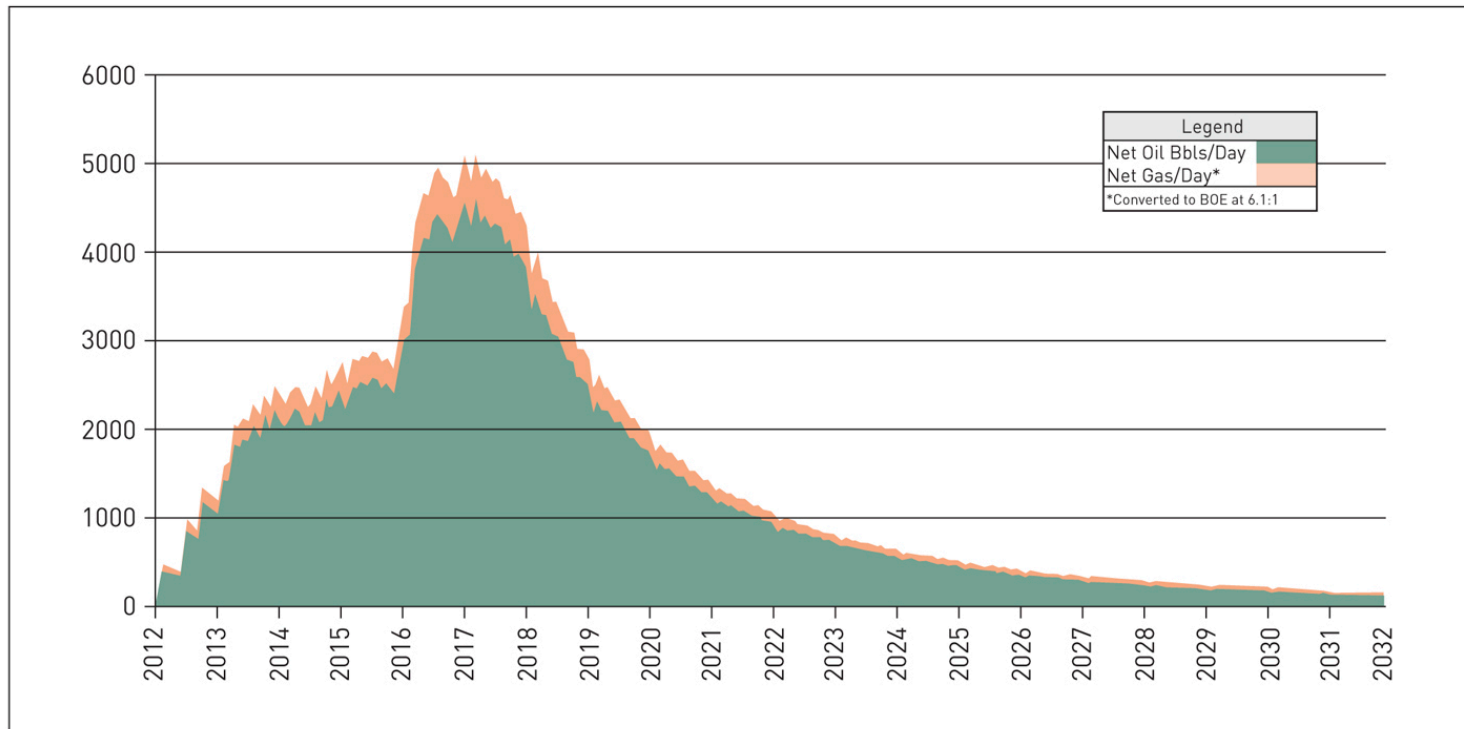


Austin Chalk Field Development and Production Forecast Model

- Initial field development modeled on 640 acre spacing
- NYMEX future oil price / 3% per annum escalation in costs
- Cost per well of US\$8m to the 100% working interest
- Up to 3 wells drilled in 2012 then 6 wells per year onwards

Austin Chalk Field Development Production Profile

(Figures in model are net to Pryme)

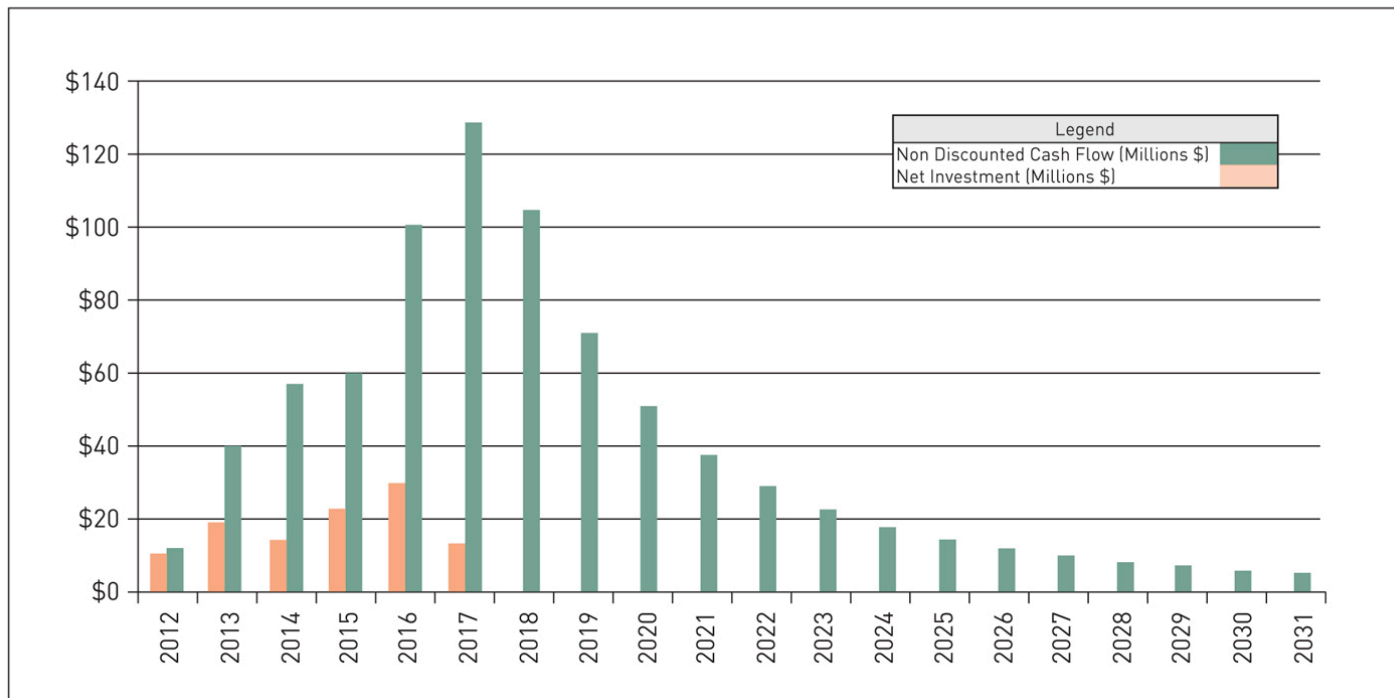


Development Drilling Program Budget and Cashflow Model

- Next well to spud in the coming months
- Rig to drill back-to-back throughout 2013
- Postulated development plan of 6 wells per annum through to full development
- Development model indicates project will support its own development through cash flow generated from production from well number 3 onwards

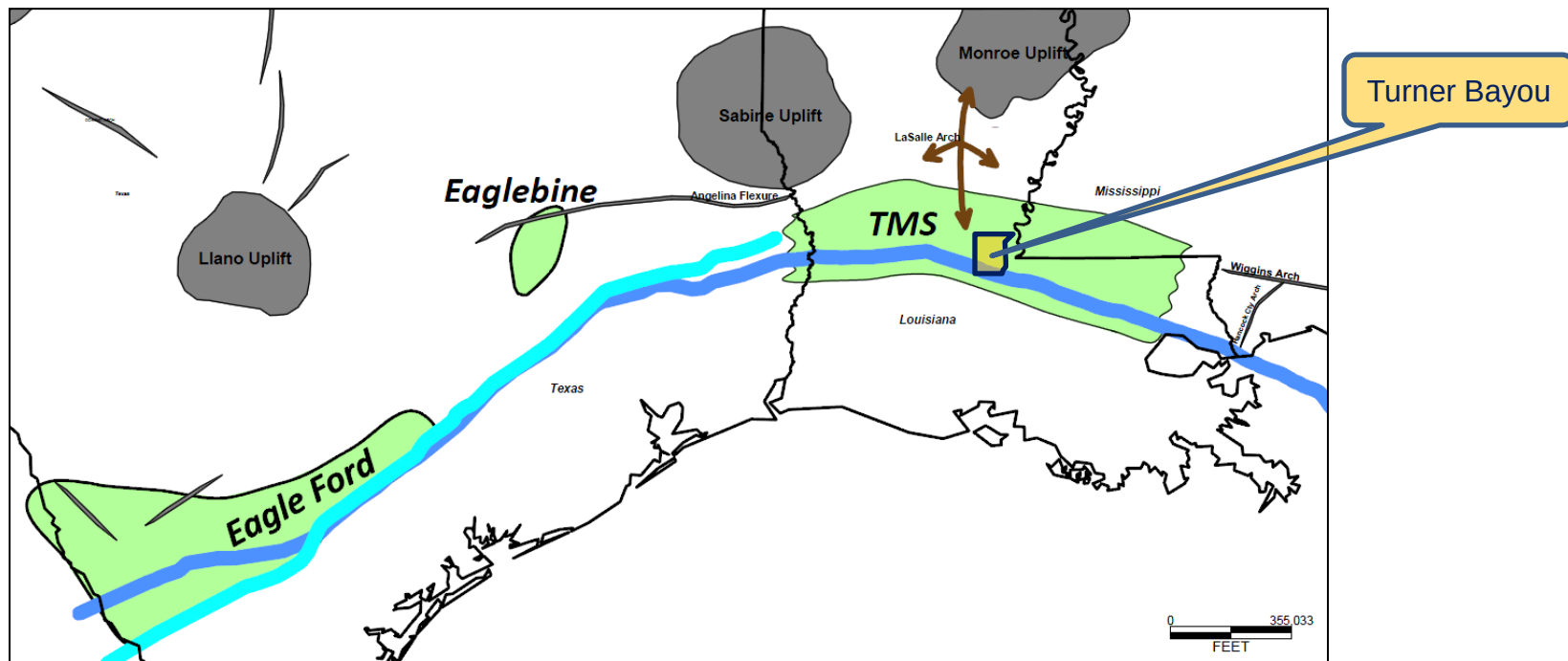
Annual Net Investment and Cash Flow Summary

(Figures in model are net to Pryme)



Tuscaloosa Marine Shale (TMS)

- A vertical completion was made in the TMS on our 3D survey in 1977 by Gulf which tested at initial rate of at over 100 barrels of oil per day and associated gas with no stimulation
- The Eagle Ford is an abnormally pressured source rock and is a target for shale gas and NGLs in South Texas. Deshotels well intersected the Louisiana Eagle Ford equivalent (the TMS) with minor reservoir rock with porosity up to 16% with very encouraging mud log shows. Compares favourably to some of the better locations in the Eagle Ford play in South Texas which exhibit porosities in the 6% to 12% range



Resource Play Drilling Potential with Conventional Production Upside

- Producer with exploration and development upside through secured projects
- Proprietary 3D seismic to generate prospects in Turner Bayou
- Short lead time (months) of executing on Company maker

Strategy

- Drill most densely fractured Austin Chalk well location in Turner Bayou in coming months 2012 with significant engineering and operational changes
- Successfully drill and bring into production next Austin Chalk well – inline with regional initial production rates in excess of 1,000 barrels of oil per day
- Focus on the development of play; drilling another well within 30-60 days of completion of next well
- Multiple locations to drill and develop (up to 30 locations)
- Payback on successfully completed wells typically a matter of months due to strong initial production
- Expected to exponentially increase Pryme's company wide production



Pryme Opportunity

Project	Description	1P Reserves	Value per share
LaSalle Parish	Middle Wilcox Trend Oil Project (Existing production)	113MBO	\$0.042
Raven	Cotton Valley engineering project	250MBOE	\$0.023
Four Rivers	Middle Wilcox Trend Oil (Existing production)	73MBO	\$0.028
Turner Bayou (Austin Chalk proved wells only)	3D Seismic Survey generated Austin Chalk Oil play with Tuscaloosa Marine Shale potential	709MBOE	\$0.159
Proved		1,145MBOE	\$0.252

MBOE – Oil equivalent expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons

Value per share calculated by dividing current shares on issue into undiscounted cash flow for each project using an AUD/USD exchange rate of 1.00 from Petro Partners, Inc summary of reserves as at 31 December 2011

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Feature: Turner Bayou Project

Proprietary 3D seismic survey targeting the Wilcox, Austin Chalk and Eagle Ford formations; major phase oil, with some natural gas production.

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