



18 February 2015

Shari Lynn Reaches Target Depth

HIGHLIGHTS

- Saturated oil and gas sandstones encountered
- Completion planning underway

Pryme Energy Limited (Pryme) is pleased to announce that the Shari Lynn No.1 well, located in the Sweetwater acreage block of the Capitola Oil Project, has reached its total depth of 5,621 feet (1,713 metres). Mud log data collected while drilling has identified several intervals with oil and gas shows within the Breckenridge Lime and Canyon Sands intervals. A cased-hole log is scheduled to be run next week to better identify the hydrocarbon bearing zones for completion. Production casing has been run and cemented in the wellbore in preparation for completion in the Canyon Sands.

"The Shari Lynn was drilled less than one mile west of our Mahaffey Bishop well. The Mahaffey continues to produce consistently over 80 barrels of oil per day with little decline being seen," said Justin Pettett, Pryme's Managing Director and CEO. "Based on the stable production from the Mahaffey we are encouraged that the Shari Lynn will produce similarly once completed."

About the Capitola Oil Project

The Capitola Oil Project is located in an active region of the Eastern Shelf of the Permian Basin just north of the town of Sweetwater, Texas. The project contains a number of shallow, "stacked" formations to depths of 7,500 feet, with established oil production history from vertical wells. The Capitola Oil Project acreage is contained within two contiguous lease blocks referred to as Sweetwater (approx. 7,000 acres) and Claytonville (approx. 2,333 acres) to the north of Sweetwater. Pryme is the operator of the Capitola Oil project.

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Competent Person Statement and Disclaimer

Technical information contained in this presentation in relation to the projects of the Company have 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 consents to the inclusion in this presentation of the information in the form and context in which it appears.