



ASX: PYM OTCQX:POGLY

AGM Presentation

22 April 2015

US-focused oil and gas
explorer and producer



US-focused, rapid-growth oil and gas explorer and producer

Company overview

- Oil and gas exploration and production company
- Focused on the exploration and development of stacked multi-pay resource opportunities in the Permian Basin, Texas
- Targeting shallow, low risk vertical well exploitation in Capitola Oil Project to generate growth
- Underpinned by stable shallow oil production in Louisiana

Financial information

Share price (16-Apr-15) A\$0.006

Number of shares 907.4M

Market capitalisation A\$5.4M

Cash (31-Dec-14) A\$8.4M

Debt (31-Dec-14) -

Enterprise value (A\$3.0M)

458.3m unlisted options on issue (exercise price A\$0.02; expiry date 23 July 2016)

Source: IRESS, company filings

Board and management



George Lloyd
Non-Executive
Chairman



Justin Pettett
Executive Director,
CEO



Ryan Messer
Executive Director,
COO



Greg Short
Technical Director

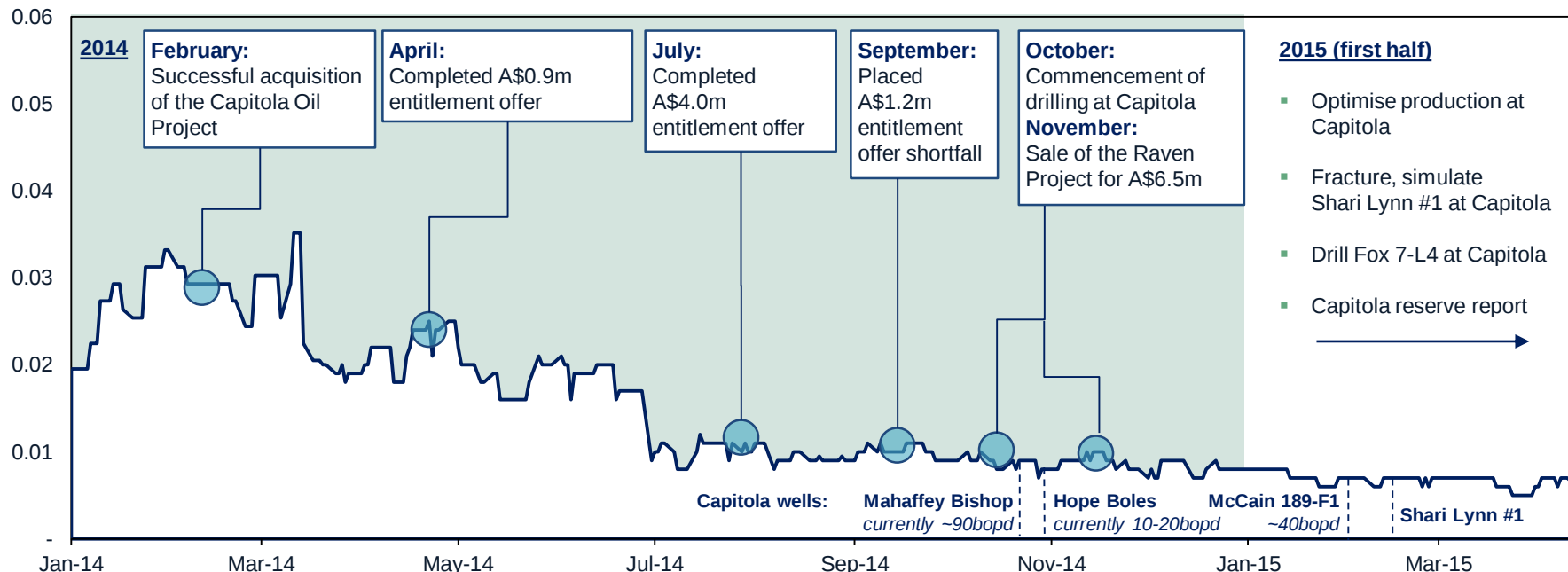
Top shareholders

Evo Fund (managed by Evo Investment Advisors)	5.9%
Panorama Ridge (high net worth investor)	4.2%
Belmont Park Investments (high net worth investor)	3.9%
Board & management	5.0%

During a period of challenging market conditions for all oil and gas companies (particularly junior), Pryme has re-capitalised and drilled wells increasing production and reserves

- 2015 will extend on the significant operational deliveries of 2014 with new wells to start producing
- Given cash backing and strengthening production profile, the current share price levels suggest an **attractive asymmetric payoff profile**

Pryme share price performance (A\$/sh)

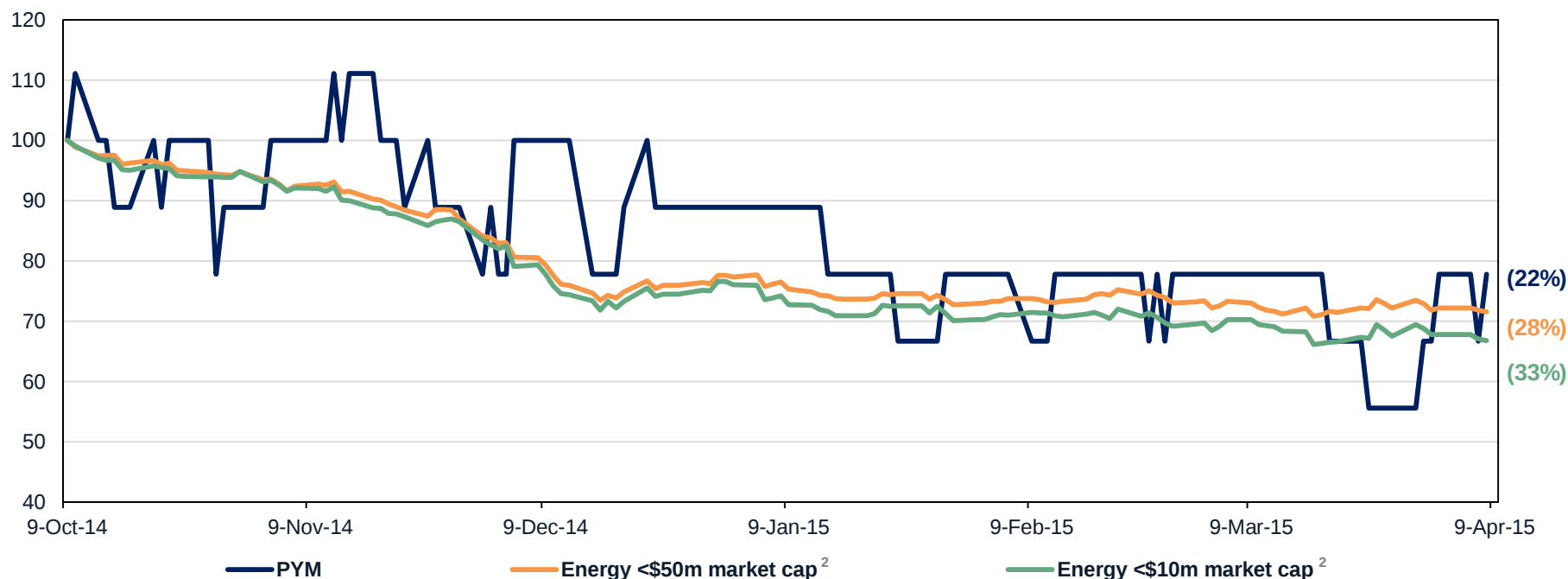


Source: IRESS, company filings

Pryme has experienced unfavourable share price movements, as has the rest of the sector, but has outperformed on a relative basis

- Continued operational performance at Capitola and the sale of the Raven Project for A\$6.5m has lifted share price performance at times
- The micro-cap Energy companies (< A\$10m) have been hit hardest – Pryme is the clear standout in this category

Last 6 months share price performance¹



Source: IRESS

Notes:

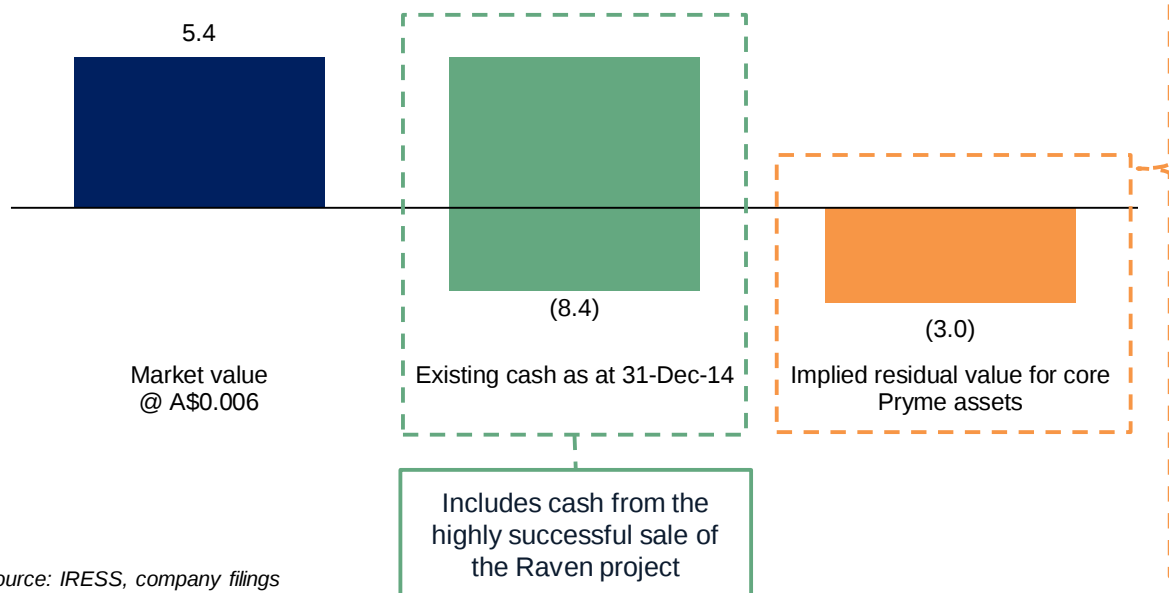
1 Share prices rebased to 100 as at 9 October 2014

2 Energy index price performance based on the equal weighted average share price of ASX-listed companies in GICS Energy sector

Negligible value is currently ascribed to producing assets and Capitola

- Pryme is currently **trading well below its cash backing** of A\$8.4m as at 31 December 2014
- Pryme receives **stable cash flows from Four Rivers**
- Capitola presents **significant upside in a proven oil play**
 - Expenditure at Capitola is fully optional, Pryme can make its own decisions with respect to program optimisation
 - Substantial additional value for Pryme in leveraging the results of prominent US oil producers operating in adjacent blocks

Illustrative valuation



Four Rivers

- ✓ 2014 net production of 9,011bbl oil
- ✓ 2014 revenue of A\$1.0m
- ✓ Stable production
- ✓ Low decline rates
- ✓ Has been producing for >15 years
- ✓ 174,600bbl oil net 1P reserves

Capitola

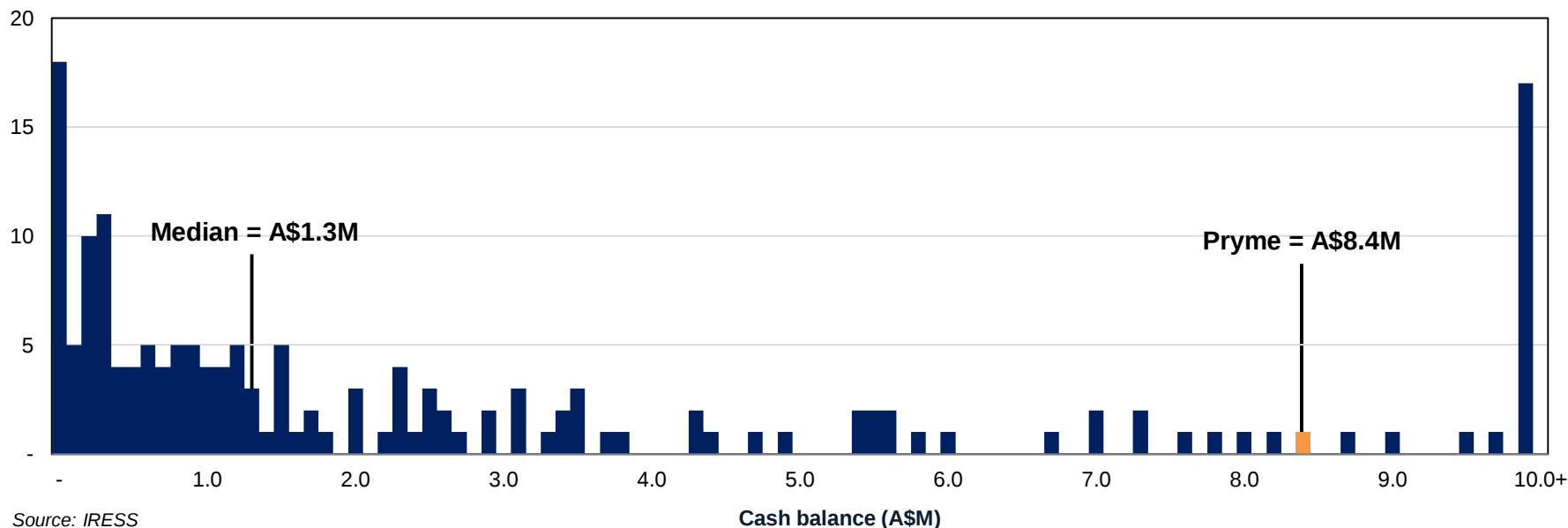
- ✓ First production January 2015
- ✓ 45% WI in 9,333 acres
- ✓ Estimated US\$4.3m spent on project to date
- ✓ Eastern shelf of the Permian Basin
- ✓ Multiple "stacked" oil targets with potential uplift via horizontal wells
- ✓ Production from Mahaffey Bishop exceeding expectations (currently ~90bopd)
- ✓ Pryme is the operator of Capitola

Pryme has an enviable cash balance at a time where small cap energy companies are finding funding conditions difficult

- Pryme has established a cash balance that sees it fully funded for future drilling at Capitola and provides it with the ability to take advantage of the depressed market and find complementary acquisition opportunities
- Of the 169 ASX-listed peers in the Energy GICS sector (<A\$50m market cap), Pryme's cash balance is in the top 12%
- Cash is predominantly held in US\$

Peers cash balance distribution (<A\$50m market capitalisation, 31 December 2014)¹

No. of companies



Source: IRESS

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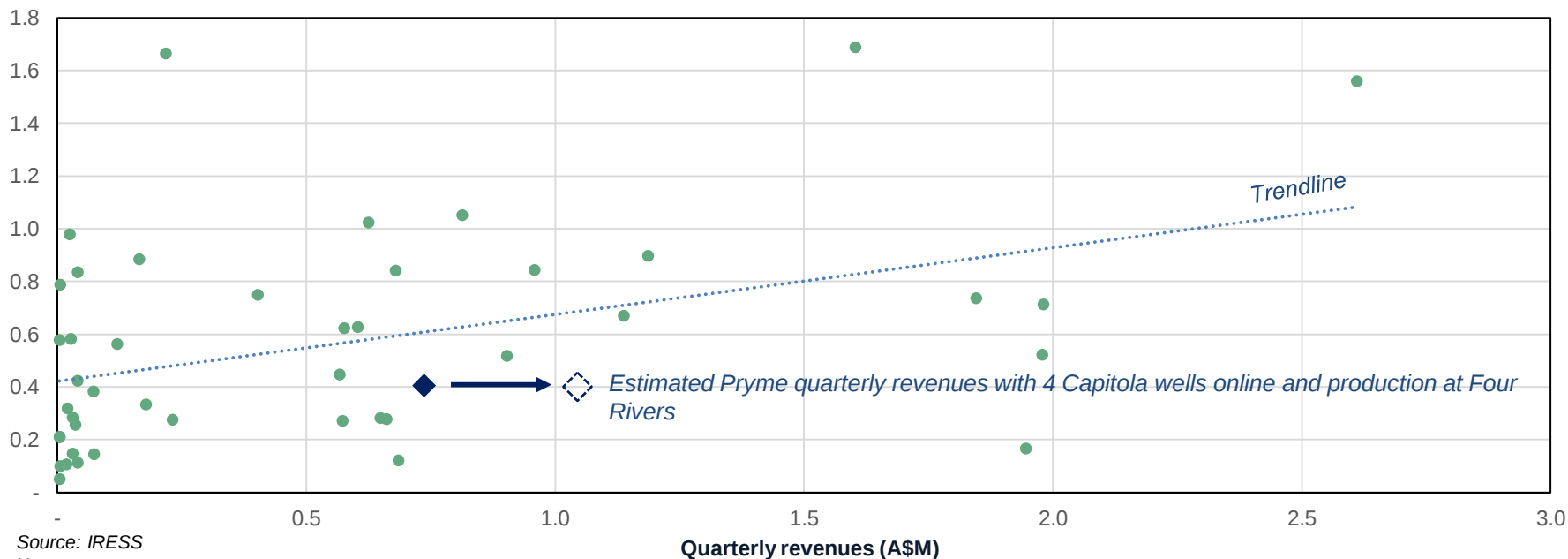
1 Includes 169 ASX-listed peers in the Energy GICS sector

Pryme continues to actively manage its administration expenditure and stands out relative to peers as being prudent

- Relative to its ASX-listed producing peers (<A\$50m market capitalisation), Pryme stands out with low overheads
- Revenues expected to increase significantly as Shari Lynn #1 and the fifth Capitola well commence production in H1 2015
- Substantial scope to add incremental revenue as administration costs remain stable
 - Over 100 potential Capitola well locations to be drilled

Producing peers quarterly administration and revenues (<A\$50m market capitalisation, December quarter 2014)^{1,2}

Quarterly administration spend (A\$M)



Source: IRESS

Notes:

1 Includes ASX-listed production peers in the Energy GICS sector (excludes 94 non-producing junior peers)

2 Chart excludes outliers IntraEnergy, Universal Coal, Nido Petroleum and Empire Energy

Pryme is perfectly positioned to invest in its own assets and assess current opportunities to optimise the creation of shareholder value

- Pryme has the **unique position in the current environment** to selectively deploy its high cash balance towards both its **own high quality assets** and to **capitalise on sound investment opportunities that arise**
- Board and management will focus on **disciplined capital management** while preserving the appropriate **flexibility in order to pursue growth opportunities** where we believe they will create value for shareholders

Opportunistic investments

- Ongoing acquisition analysis
 - Board and management **focused on the creation of value** (cash flows, EPS, shareholder return)
 - **Needs strategic fit and rationale** (US onshore)
 - Every investment must stand on its own merits
- Shell's landmark acquisition of BG Group is a clear indication **this is a cyclical industry and conditions will normalise**
- Pryme has a **successful history of development and extraction of value for shareholders**
 - Sale of Raven project for A\$6.5m was more than 10x its book value

Upcoming catalysts at existing projects

- Bringing **Shari Lynn #1** into production
- **Drilling of the fifth Capitola well, Fox 7-L4**, and bringing it into production
- Pryme will continue to **sensibly invest in Capitola and Four Rivers to optimise and extend production**
- **Initial Capitola reserves report** expected to be released with the June 2015 half year report
 - 1P, 2P and 3P reserves and future revenues net to Pryme
- **Prudent cash management** exhibited by Board and management

Asset summary

Key points on assets:

- Stable existing oil production and reserves from Four Rivers
- Capitola: low risk + scalable + upside = growth
- Demonstrated ability to find/transact growth assets
- Quick turnaround into production and cash flow
- Capitola production ~140Bbbls of oil and 200Mcf of natural gas per day



Low risk development project with exploration potential

Oil prolific Permian Basin, Texas

9,333 acres within **existing, proven oil fields***

Low risk/low cost vertical production wells – step-out and down-spacing opportunities from wells drilled in known proven sands

Multi-stacked reservoir – target 10 potential productive intervals

Ability to comeingle reservoirs to enhance economics

Scalable development potential (200+ wells based on 40 acre spacing)

Secondary water/gas flood recovery opportunity at Claytonville



Horizontal Canyon Sand and emerging Cline Shale plays upside – Future Sale or Farm-out

Strong production results in horizontal Canyon Sand – Harris BK #3H (8 miles south of our Sweetwater acreage block)

Cline Shale – Analysts estimate Cline Shale could be larger than the Bakken Shale in North Dakota and the Eagle Ford Shale in South Texas combined

Early mover advantage for Pryme

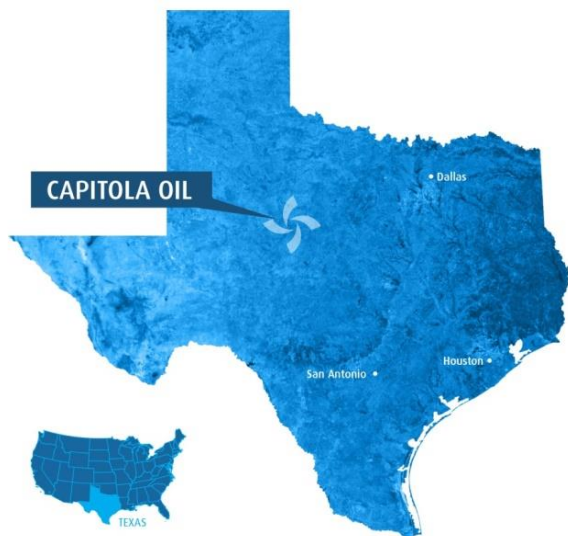
Pryme acreage offset to best producing Cline Shale wells in region (Bishop 1H and 2H wells)

Devon wells in close vicinity to Capitola a strong endorsement: Bishop 2H well (1 mi), Parker 1H well (2 mi), and BK Harris 3H well (8 mi)

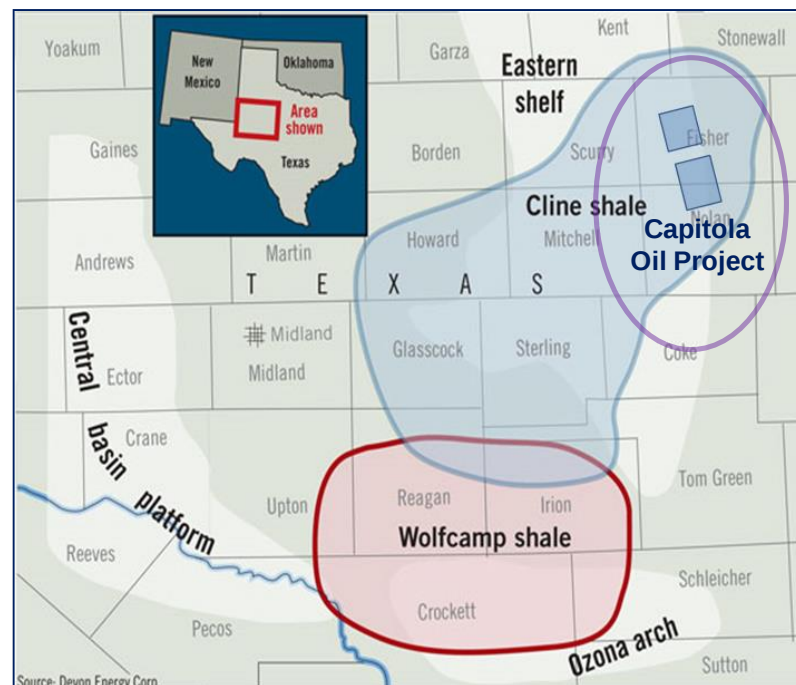
Capitola is Pryme's flagship asset with a large production program underway

Project information

Location	Permian Basin <i>Eastern shelf</i>
Operator	Pryme Energy
Interest	Wells to date 100% WI, 75% NRI (Acreage 45% WI)
Acreage	9,333 acres (2 blocks)
Current producing wells	3 (~140bopd)
Wells in development	2



- Acreage overlies two proven oil fields containing redevelopment and secondary recovery opportunities
- Over 150 historical wells drilled throughout Capitola acreage
 - Several million barrels of remaining recoverable oil from existing, produced fields
- Primary targets (Breckenridge Lime, Canyon Sands and Cline Shale) have all been identified in well data, seismic data, wireline logs and mud logs across Capitola



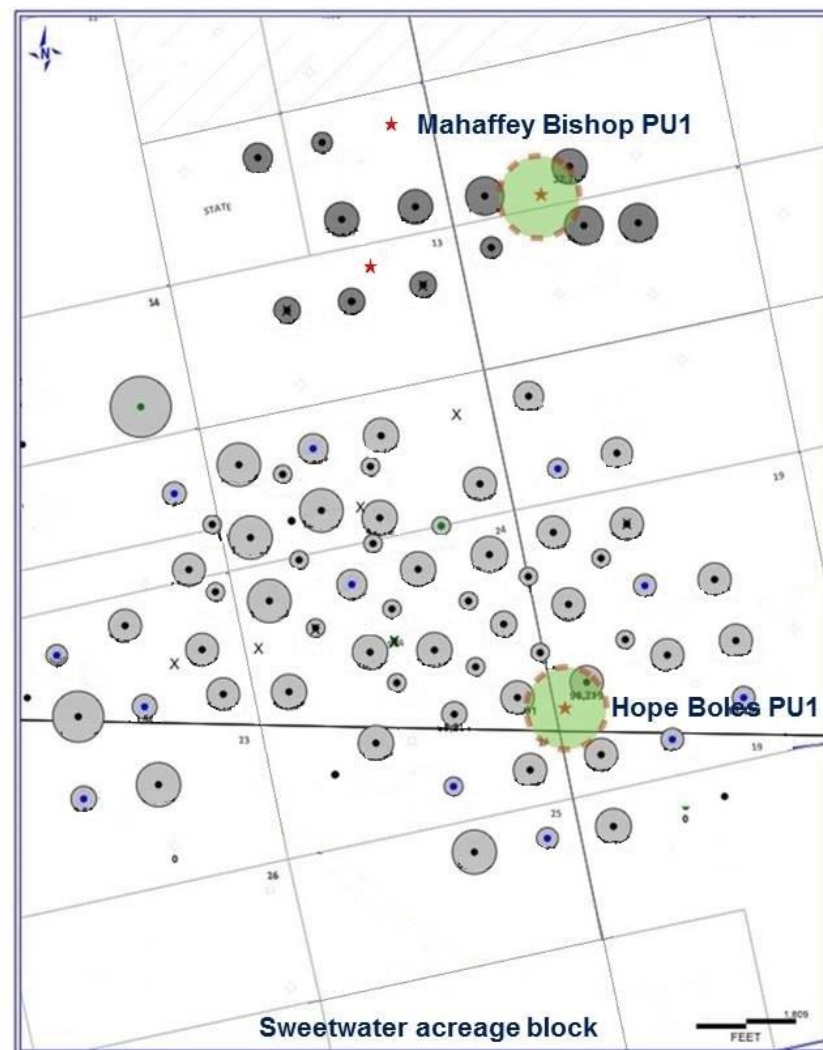
The first 2 Capitola wells were completed on time and are currently producing

Mahaffey Bishop PU1

- Reached target depth of 6,090 feet (1,856 metres)
- Intersected 34 net feet (10 net metres) of oil and gas saturated sandstone within the A sand of the Canyon Sand formation and encountering additional hydrocarbon shows in the Cline Shale and other intervals
- IP recorded as 85 barrels of oil per day (63 barrels net to Pryme)
- Currently exceeding expectations and has averaged 90 barrels of oil per day production (68 barrels of oil per day net to Pryme) over the past 30 days with no decline

Hope Boles PU1

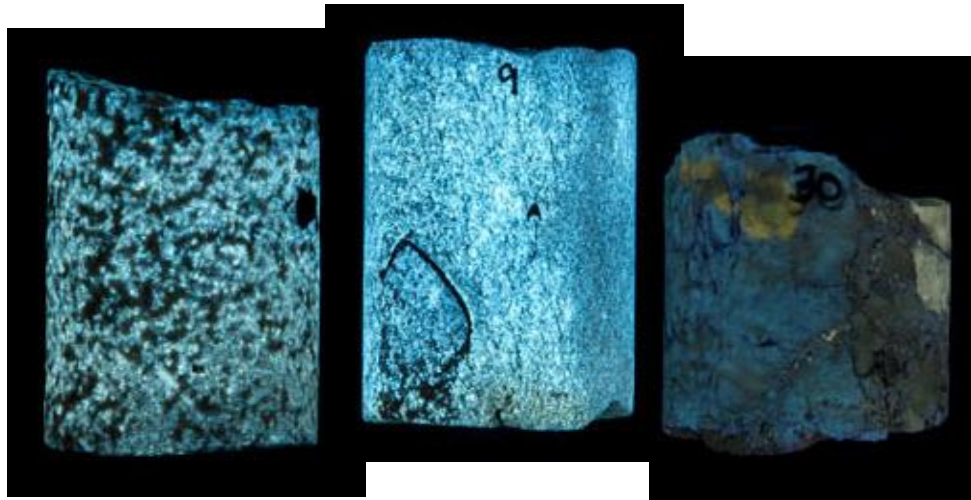
- Reached target depth of 6,050 feet (1,844 metres)
- 94 gross and 36 net feet (11 net metres) of oil and gas saturated sandstone within multiple sand packages within the Canyon Sand formation
- Intermittent performance to date reached approximately 50 Bbls/day of oil and then fluctuating at around 10-20 Bbls/day (8-15 Bbls/day net to Pryme)
- Continue to monitor operations towards optimising production



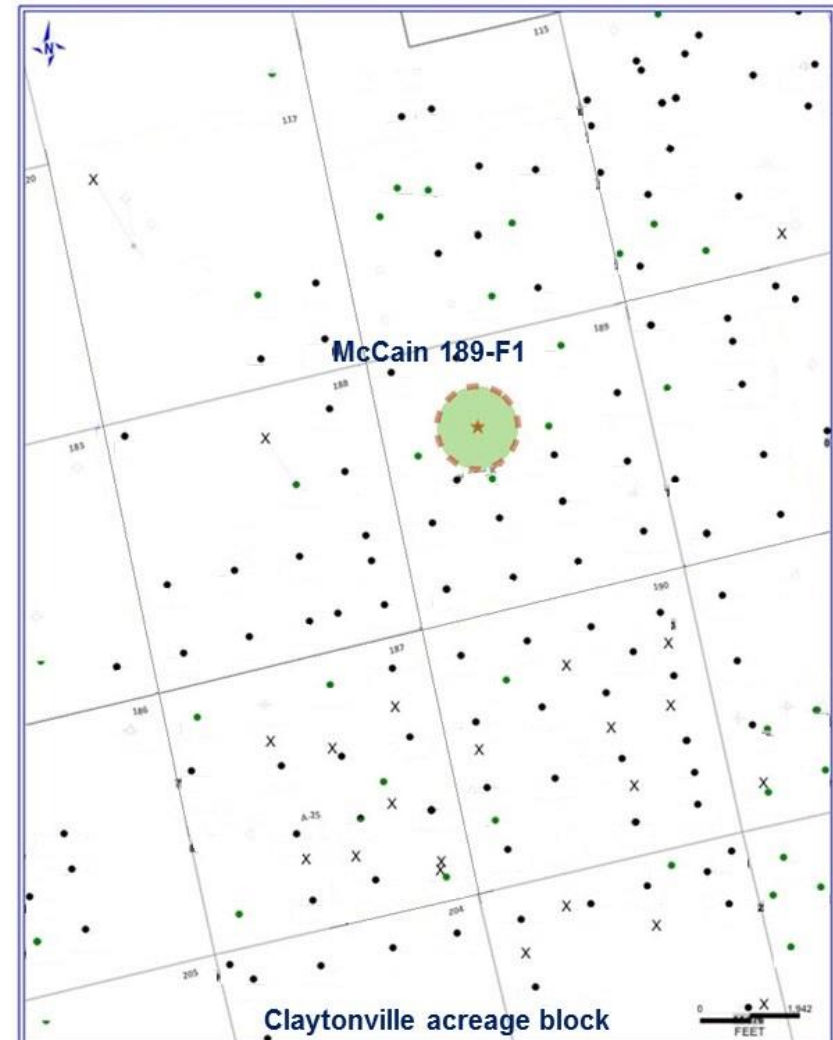
McCain 189-F1 reached target depth on 5 November 2014

McCain 189-F1

- Reached target depth 7,300 feet (2,225 metres) approx. 170 net feet (51 net metres) of oil and gas saturated sandstones, limestones and shales
- Currently producing at 40 barrels of oil per day (30 barrels net to Pryme) plus natural gas and its associated liquids
- Currently selling 200Mcf per day of natural gas (150Mcf per day net to Pryme) with a BTU rating of approximately 1,700Btu/scf (standard BTU rating is 1,000Btu/scf) achieving a substantial premium over present prices



Cores under UV light showing florescence (oil) taken from the McCain 189-F1 well within the Capitola Oil Project

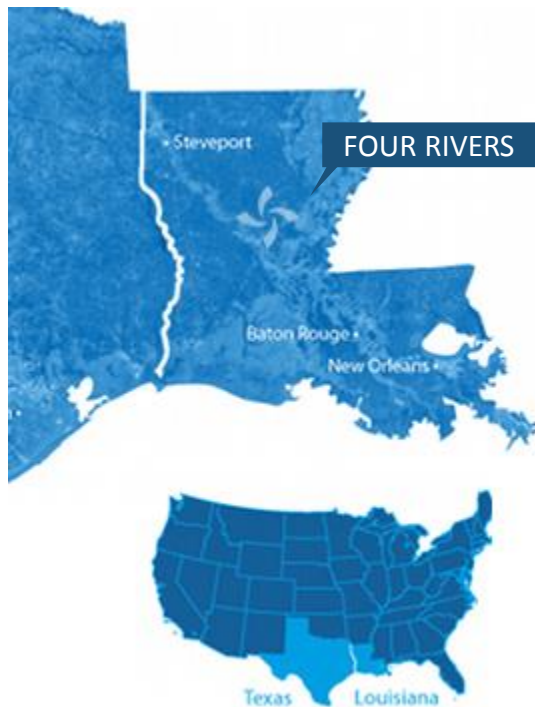


Four Rivers is a producing asset providing Pryme with ongoing cash flow

Project information

Location	Louisiana and Mississippi <i>Middle-Wilcox formation</i>
Operator	Various
Interest	8 - 25% WI
Net Production (2014)	9,011 bbls

- Mature project that requires low management intensity
- Extends from Winn, Concordia and Catahoula Parishes in Louisiana to Adams and Jefferson Counties in Mississippi
- Wells drilled in the Middle-Wilcox formations exhibit long production lives with low declines once steady production is reached
- Inexpensive to drill with low maintenance and ongoing costs



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Disclaimer, Forward Looking Statements and Competent Person Statement

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The information presented in this presentation may contain predictions, estimates and other forward-looking statements. Although the company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those included in the forward-looking statements include the timing and extent of changes in commodity prices for oil and gas, the need to develop and replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development, uncertainties about the estimates of reserves, competition, government regulation and the ability of the company to meet its stated business goals.

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Reserves or prospective resources have been prepared by Mr Robert H. Patterson, a petroleum engineer who is a qualified petroleum reserves and resource evaluator as defined under ASX Listing Rule 5.41. Mr Patterson holds a Bachelor of Science in Chemical Engineering and has over 30 years experience in engineering studies, evaluation of oil and gas properties, drilling, completion, production and process engineering of oil and gas operation and evaluation of properties in the USA. Mr Patterson has consented to the use of the reserve and/or prospective resource figures in this presentation. Mr Patterson is a member of the Society of Petroleum Engineers and is a registered Professional Engineer in the state of Texas.

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.

Appendix A

Further Capitola detail

Low Risk Development Objectives in Canyon Sands (“down-spacing” opportunities)

- 4900 Foot Sand MD 4,900 feet (proven) – secondary objective
- 5200 Foot Sand MD 5,200 feet (proven) – primary target, 1.8 MMBO gross remaining recoverable (1 MMBO net to Pryme)
- A-D Canyon Sands MD 5,200 feet (proven) – primary sand target, 2.0 MMBO gross remaining recoverable (1.125 MMBO net to Pryme)

Exploiting untested sands with shows (commingle with “down-spaced sands”)

- Upper Sand MD 5,000 feet (oil and gas shows) – Sweetwater block
- Lower Sand MD 5,500 feet (untested) – will test at Sweetwater’s south block
- Lower Sand MD 5,500 feet (tested live oil) – Claytonville block – multiple show wells, offset operator having great success in this zone

Secondary Recovery Potential in Claytonville block Canyon Sands

- 5200 Foot Sand MD 5,200 feet (proven) – primary target, 1.8 MMBO gross remaining recoverable (1 MMBO net to Pryme)
- Will acquire core data and run analysis and feasibility study on results

Breckenridge Lime MD 4,500 feet (vertical and horizontal completion opportunities)

- Productive in several fields in Nolan County
- Carbonate encased in shale just above Canyon Sands
- Shelf edge feature – porosity and resistivity development along shelf edge - potential fracturing

Local Stratigraphic Column

SYSTEM	STAGE	GROUP	
Permian	Wolfcamp	Tannehill	
		Saddle Creek	
		Flippen	
		Crystal Falls	
Pennsylvanian	Virgil	King	
		Breckenridge	
		Gunsight	
		Swastika	
	Missouri	Home Creek	
		Ranger	"Canyon Sands"
		Winchell	
		Palo Pinto	
		Cross Cut	"Cline"
		Morris	
	Des Moines	Capps	
		Fry	
		Jennings	
		Gardner	
		Gray	
		Odom	
	Atoka	Caddo	
		Big Saline	
	Morrow	Marble Falls	
Mississippian	Chester		
	Meramec	Barnett	
	Osage	Chappel	
Ordovician	Upper		
	Middle		
	Lower	Ellenburger	
Cambrian	Upper	Wilberns	
		Hickory	
		Granite Wash	
		PreCambrian	



Produces in the area



Primary objectives

Surrounding areas are undergoing significant vertical drilling activity from large O&G operators

Strong endorsement for Capitola's acreage evidenced by:

- Increasing nearby vertical well activity with great initial results, including Gunn's recent permit 1 mile north of Claytonville block
- Gunn and others having success commingling multiple intervals in vertical completions nearby

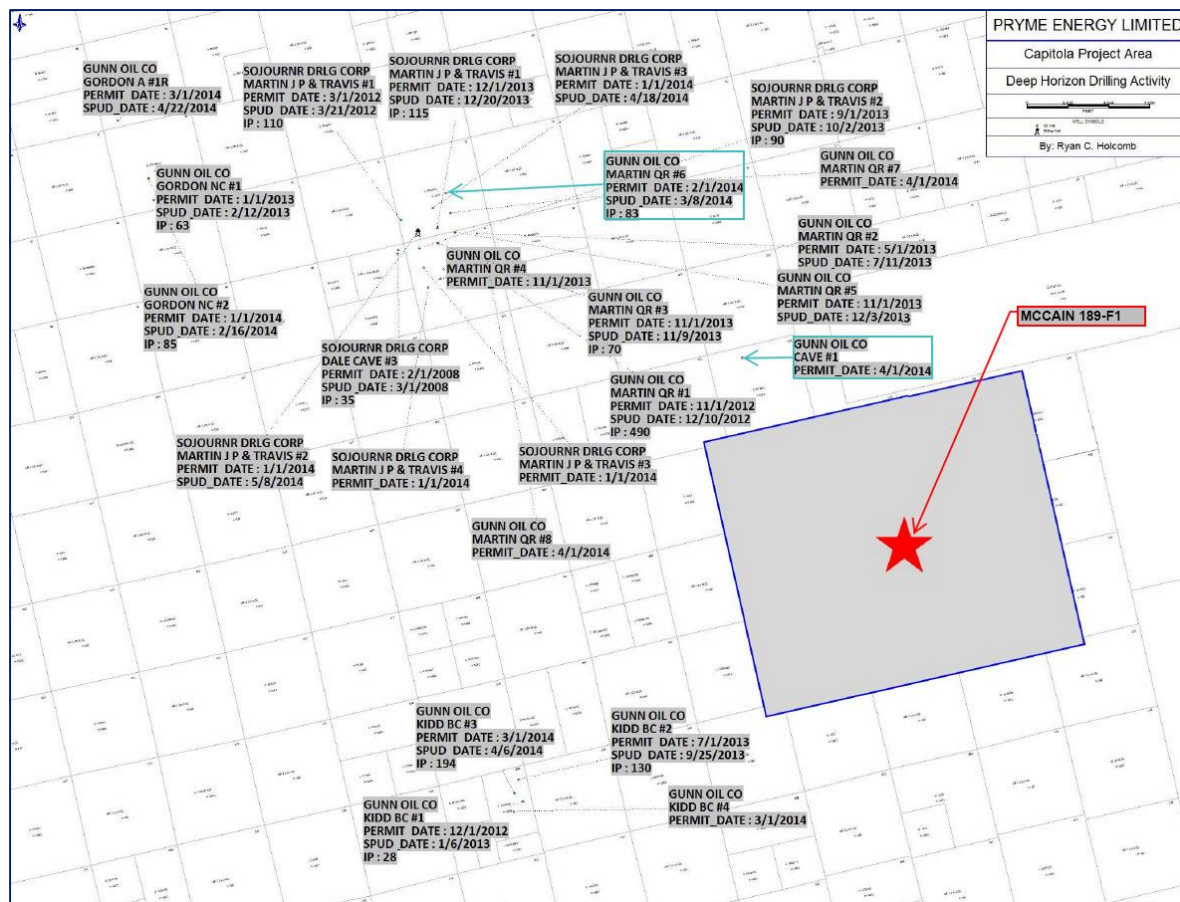
Pryme will leverage relationships to exchange operational and geologic data – reduces learning curve

Primary Targets

- Breckenridge Lime
- Canyon Sands
- Cline Shale

Secondary Targets

- Flippen
- Caddo/Odom (Strawn)
- Ellenberger



Pryme's Claytonville block with recent nearby vertical activity, primarily driven by Gunn Oil; all wells permitted and drilled since 2012

- Multiple “stacked” conventional targets with Cline Shale upside (large independents currently proving up play)
- Additional upside exists in potential for horizontal development of Canyon Sands and at least 4 other intervals which have not been quantified in this analysis and which produce in the immediate area

3 Primary Targets (shallow c. 6,000 feet)

- Breckenridge Lime – (Higher risk huge shallow oil upside potential) – old logs indicate porosity and hydrocarbons, but not proven producer; could provide substantial upside if commercial flows are proven
- Canyon Sands – (Low risk foundation of production and cash flow) – down spacing existing produced oil reservoirs and commingling oil and gas shows – old fields, lots of well data, proven producers within acreage
- Cline Shale – (Medium risk no cost option for Pryme) – being drilled by large offset operators, gives Pryme options to farm out or create a significant liquidity event in the near future (at no cost to Pryme to develop)

Well Characteristics	Potential Locations*	Well Costs (US\$m)**	BOE/day IP Range	EUR (BOE)	Estimated NPV10 ^{##} Per Well (Mid-Case [#])
Breckenridge Lime	Up to 200	0.85-0.95	60-140	50,000-140,000	US\$1.1m
Canyon Sands					
Cline Shale	Up to 60	6.6	120-710	100,000-600,000	US\$3.4m

*Based on 40 acre spacing for vertically drilled wells and 160 acre spacing for horizontally drilled wells

**Well costs include drilling, stimulation and completion costs including surface facilities and production equipment

[#] Mid-case for Breckenridge Lime and Canyon Sands based on 87BOE/day IP and 87,000BOE EUR. Cline Shale based on 340BOE/day IP and 376,000BOE EUR.

^{##} Net present value is the difference between the future cash inflow and the future cash outflows with a 10% discount net to Pryme using typical decline production curves from actual production a US\$90 per barrel oil price and US\$4 per Mcf natural gas price flat for the life of the well

Capitola Oil Project potential – significant resource on low estimate

Development Strategy

- Drill low risk vertical wells (circa 7,500 feet in depth) to build production, cash flow and HBP acreage (all depths)
- Leverage large offset operators (Devon, Range) drilling horizontally through the Cline Shale and Canyon Sands to increase Pryme's acreage value
- Evaluate Canyon Sand horizontal oil potential at circa 5,200 feet (significant project development)
- Evaluate shallow oil potential in the Breckenridge Lime at circa 4,500 feet (upside potentially larger than Cline)

Independent resource potentials

Recoverable Oil*	Low estimate	Best estimate	High estimate	Fractional recovery**
Breckenridge Lime	1.4 MMBOE	19.2 MMBOE	49.8 MMBOE	12.5%
Canyon Sands	6.9 MMBOE	8.7 MMBOE	10.6 MMBOE	18.0%
Cline Shale	0.8 MMBOE	5.9 MMBOE	13.8 MMBOE	6.0%
Total (BOE)	9.1 MMBOE	33.8 MMBOE	74.2 MMBOE	

*Recoverable Oil calculated by determining Remaining Oil in Place and applying a fractional recovery percentage as at the date of this presentation. All figures are net to Pryme based on a 75% working interest in the Breckenridge Lime and Canyon Sands and a 50% working interest in the Cline Shale and have been determined using deterministic method for the Canyon Sands and probabilistic method for the Breckenridge Lime and Cline Shale under SPE-PRMS. Natural gas is converted to BOE on the basis of 6 Mcf of natural gas is equivalent to 1 BOE.

**Fraction recovery is calculated 1) Breckenridge Lime assumes general accepted recovery for solution gas drive reservoir, 2) Canyon Sands by material balance calculations, and 3) Cline Shale assumes generally accepted recovery for unconventional resource plays.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Pryme confirms in this subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement made on 11 February 2014 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Appendix B

Board and management team

Experienced team with a demonstrated ability to find and transact growth assets



George Lloyd

Non-Executive Chairman

- Over 30 years senior management, board and corporate advisory experience with a listed company focus in the resources, energy and engineering services sectors
- Extensive experience in corporate strategy, M&A and exploration management



Justin Pettett

Executive Director, CEO

- Pryme's CEO since foundation (April 2006)
- 14 years in U.S. E&P industry with over 180 wells drilled throughout Gulf Coast U.S. resulting in field discoveries
- Managed private U.S. based start-up company which grew to over 500Bbls per day and divested to local operator



Ryan Messer

Executive Director, COO

- Pryme's COO since foundation (April 2006)
- 14 years in U.S. E&P industry
- Operations specialist with technical teams spread across 5 active U.S. basins and over 180 tests
- Managed team that led discovery of eight new fields in Louisiana



Greg Short

Technical Director

- 33 years with Esso/Exxon Mobil in production and operations and 15 years in management positions
- Head of Exxon U.S. Gulf Coast exploration activities
- Strong technical background in exploration, development and production, geoscience, exploration operations and management