



15 April 2008

## Second Raven Well Production Status

As discussed in our announcement of 20 March 2008, oil and gas production from the 'C' and 'Price Sands' formations in the second well (Grable 15-1) in our Raven project have been successfully comingled and are being delivered to market. Production rates have been increasing and current production is approximately 760 Mcf per day of gas and 20 barrels per day of condensate.

At these rates, and using realised prices of \$6.00 per thousand cubic feet (Mcf) of gas and \$90 per barrel of condensate, Pryme's net monthly revenue from this well is approximately US\$50,000. Flow rates from wells in the Cotton Valley Formation do usually decline and then flatten out after reaching stable production. However, if the current production rates can be sustained, this equates to a 30% increase in Pryme's revenue from all projects and underlines the importance of Raven's contribution to Pryme's income.

The third well in the Raven project is scheduled to be drilled mid-May. When drilled, completed and producing it will provide sufficient information for a reservoir engineer to prepare a report on proven and proven undeveloped reserves for the project.

Of additional relevance to the Raven Project, the large US independent oil and gas company Chesapeake Energy (CHK: NYSE) recently announced a major natural gas discovery in the Haynesville Shale in Northern Louisiana. Chesapeake says that the size of the discovery and ultimately the trend at this stage could range from 7.5Tcf to 20Tcf with well depths between 10,000 feet to 12,000 feet. The discovery has sparked intense leasing activity in the area.

Pryme's Managing Director, Justin Pettett, said "our Raven project acreage is on trend with the discovery and contains the Haynesville formation although it is unknown yet if the Haynesville is productive on our acreage. Time will tell and, if this play develops eastward toward Lincoln Parish, it could increase the value of the 4,000 acres we have under lease for the Raven project. We will keep shareholders informed of any further relevant developments."

Natural gas and oil closed on the NYMEX at \$10.05 and \$109.84 respectively.

### Project Description

The Raven project covers mineral leases in the prolific Cotton Valley and Hosston natural gas trends in Lincoln Parish, Louisiana. Raven exists along a natural gas fairway of Cotton Valley marine bars which are the target of the Raven project. Pryme has a 40% working interest (30% Net Revenue Interest) ownership in the project.



For further information please contact:

**Justin Pettett**  
**Managing Director**  
**Pryme Oil and Gas Limited**  
Telephone: +61 7 3371 1103  
Email: [justin@prymeoilandgas.com](mailto:justin@prymeoilandgas.com)

**Ryan Messer**  
**President**  
**Pryme Oil and Gas Inc**  
Telephone: +1 832 487 8607  
Email: [ryan@prymeoilandgas.com](mailto:ryan@prymeoilandgas.com)

*The information in this report has been reviewed by the Advisory Director of Petroleum Engineering of Pryme Oil and Gas Ltd, Don Ellison B. Sc. (Petroleum Engineering) who has over 35 years experience in the fields of reservoir evaluation and performance, drilling, well completions and production engineering. He is a Registered Professional Engineer in the State of Texas in the United States and a member of the Society of Petroleum Engineers. Mr Ellison 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. The 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](http://www.spe.org).*

*Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the U.S., the world's biggest oil market. The company has an exceptional suite of exploration projects focused on Louisiana, the fifth-largest oil-producing state in the U.S. These projects are funded in part by existing cash flow. Pryme's management team has a total of almost 75 years of energy industry experience and has uniquely focused local knowledge, underscored by the proven track records of its managers and directors. Directors of the company are George Lloyd (Non Executive Chairman), John Dickinson (Non Executive Vice-Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).*