



Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

25 January 2010

Dear Sir,

Pryme Oil and Gas Limited (Pryme) (ASX Code: PYM) - Chief Executive Officer Agreement

In accordance with ASX Listing Rule 3.1 and ASX Policy on Disclosure of CEO Remuneration, Pryme is pleased to announce the continuation of Mr Justin Pettett as Chief Executive Officer the Company. The relevant details of the Agreement between Mr Pettett and Pryme are attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S Keskar".

Swapna Keskar
Company Secretary

For further information please contact:

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Pryme Oil and Gas Limited
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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the Gulf States of the U.S. The company has oil and gas 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 board of directors and management team has over 100 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), Justin Pettett (Managing Director) and Ryan Messer (Executive Director) and Greg Short (Non Executive Director).

KEY PROVISIONS OF THE AGREEMENT WITH PYM CEO

Item	Description
TERM	<ul style="list-style-type: none"> Mr Pettett is to be re-appointed as CEO on 5 January 2010. Mr Pettett's employment will continue indefinitely until terminated in accordance with the CEO Agreement.
REMUNERATION	<p><u>Fixed</u></p> <ul style="list-style-type: none"> Base salary of A\$180,000 inclusive of superannuation. <p><u>Performance based bonuses and Equity Incentive Plan</u></p> <ul style="list-style-type: none"> Mr Pettett is entitled to a performance-based bonus over and above the base salary, including equity incentive plan capped at 1,747,572 Performance Rights under the Long Term Incentive Plan, the actual number of Performance Rights for the year 2010 to be approved by shareholders at the forthcoming Annual General Meeting. Mr Pettett is separately remunerated as a director of the Company.
TERMINATION NOTICE	<p><u>By PYM</u></p> <ul style="list-style-type: none"> For cause - 1 months' notice or salary in lieu (if convicted of any indictable criminal offence, termination shall be immediate). For illness, injury or insanity - 9 months' notice or salary in lieu For convenience - 12 months' notice paid in lieu. For redundancy - 12 months' notice + 1 months' salary for each completed year of service. <p>•</p> <p><u>By the CEO</u></p> <ul style="list-style-type: none"> For convenience - 3 months' written notice. Immediately, with payment of annual and long service leave and 6 months' salary, if Pryme commits a serious or persistent breach of the Agreement <p><u>Conditions to Payments</u></p> <p>No payment is to be made where such payment is contrary to the <i>Corporations Act 2001</i> or Listing Rules of the Australian Securities Exchange (as applicable).</p>