



ASX Announcement

3 October 2006

Dispatch of Options Short Form Prospectus

Pryme Oil and Gas Limited (ASX Code: PYM), an Australian oil and natural gas producer and explorer operating in the U.S., announces the dispatch of the options short form prospectus to shareholders.

The directors of Pryme would like to confirm that a hard copy of the Options Short Form Prospectus dated 20 September 2006 was mailed to each shareholder today. The Prospectus contains an option entitlement application form detailing the number of options each shareholder may subscribe for and instructions on making application and payment of application monies.

We would like to draw shareholder's attention to the prospectus timetable announced on 22 September 2006 as it contains all of the relevant timetable information pertaining to this Prospectus.

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Pryme Oil and Gas Limited is a 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 in 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 50 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 John Dickinson (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).