

8 November 2010

Oil and Gas Flared at Surface on Deshotels 20-H No.1 Well

The Deshotels 20-H No.1 well in the Turner Bayou Chalk project is currently drilling horizontally within the Austin Chalk formation at a vertical depth of approximately 15,248 feet (4,647 metres) and a total measured depth of 18,368 feet (5,598 metres). Approximately 68% of the planned 4,500 feet (1,371 metre) long horizontal leg has been drilled.



Oil and gas being flared from the Deshotels 20-H No.1 while drilling

To date multiple oil and gas bearing fracture zones have been intersected. Oil and natural gas are being brought to the surface while drilling and flared at the well head (see photograph).

The rate of drilling the horizontal leg has been variable with some minor technical difficulties. However, the Directors are pleased with progress and expect drilling to be completed within 10 days.

Pryme has a 40% working interest (30% net revenue interest (NRI)) in this well.



For further information please contact:

Justin Pettett
Managing Director
Pryme Oil and Gas Limited
Telephone: +61 7 3371 1103

Ryan Messer
Chief Operating Officer
Pryme Oil and Gas Limited
Telephone: +1 713 401 9806

Website: www.prymeoilandgas.com

ASX Code: PYM

OTCQX Code: POGLY

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).

ABN 75 117 387 354

Tel: +61 7 3371 1103 Fax: +61 7 3371 1105

Level 7 320 Adelaide Street GPO Box 111 Brisbane Queensland 4001

BRISBANE - HOUSTON