



27 June 2007

Drilling Progress Report

Pryme Oil and Gas Limited (ASX: PYM / OTC: POGLY), an oil and natural gas producer and explorer operating on shore in the U.S. with interests and focus in the Gulf States and Texas, is pleased to announce that its first Raven Project well the Spinks-Middlebrooks #11-1 is currently drilling at 9,806 feet.

Since electing to drill the well an additional 900+ feet, the drill bit penetration rate has been reduced to nominally 12 feet per hour. Therefore, we expect to log the well sometime during the coming weekend, instead of what had been planned earlier.

"We are currently 1,094 feet from total depth and the drilling of the well has gone very well" said Justin Pettett Pryme's Managing Director. A full log test this weekend will give us further information."

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. The project has been classed as an "engineering play" to the extent that more emphasis is given to the drilling and completion techniques and production of the well, as generally most wells in the area will produce natural gas and condensate. Approximately ten drilling locations have been identified in the project with the leasing of acreage continuing. Prospective gas reserves to the 100% working interest within the Raven Prospect could be on the order of 50Bcf (20Bcf net to Pryme) according to Wave, based on 5Bcf per well. Pryme has a 40% working interest (30% Net Revenue Interest) ownership in the project.

For further information please contact:

Justin Pettett
Chief Executive Officer
Pryme Oil and Gas Limited
Telephone: +61 7 3371 1103
Email: justin@prymeoilandgas.com

Ryan Messer
President
Pryme Oil and Gas Inc
Telephone: +1 832 487 8607
Email: ryan@prymeoilandgas.com

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 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), Ananda Kathiravelu (Non Executive Director) and Philip Judge (Non Executive Director).