



## **Success Again with Oil Found in NWR No.16 in LaSalle Parish Project**

### ***Two out of two NW Rogers wells find oil and Coleman No.7 flowing 65 barrels per day***

Atlanta, Georgia, December 22, 2006 - 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 it has encountered 22 feet of excellent oil sand in its second well drilled in the last 7 days, the Northwest Rogers No.16 well that was logged today. The recently completed Coleman No.7 well is flowing at a rate of 65 barrels per day and increasing with no water on an 11/64<sup>th</sup> choke.

#### **Commercial oil shows found in NWR No. 16**

Belle Exploration (Belle), the field operator, has advised that the second Northwest Rogers well the NWR No.16 was successfully drilled to a total depth of 1,614 feet (512 metres). A dual induction sonic log from 1,606 feet (510 metres) to the base of the surface casing of 169 feet and 24 sidewall cores were taken to be analyzed. The log and the cores revealed 22 feet of excellent oil sand in the "3<sup>rd</sup> Cockfield" at 1,443 feet – 1,464 feet. There is no oil/water contact and the resistivity in this interval reached seven (7) ohms, again like the NWR No.17, is a clear indication of pure hydrocarbons in a very permeable sandstone.

The core and log analyses indicated excellent permeability, making the decision to run production casing and complete the well an easy one.

"Christmas has come early for Pryme shareholders with the success of our second oil development well in the Northwest Rogers Field. This new well gives further confirmation of the strength of this field. These last two wells, based on the existing analogue production in the field, should boost net cash flows for Pryme close to 18% which is significant in our opinion," said Pryme's CEO Justin Pettett. "Coupled with the better-than-expected flow rate of the Coleman No.7, which was drilled earlier last month, we are certainly looking forward to a very strong start to 2007."

Typical production rates from wells in and near the same field completed in the 3<sup>rd</sup> Cockfield Sand have been 25-35 barrels of oil per day initially, with a sustainable rate of 18-22 barrels of oil per day over a thirty year period. At a sustained production rate of 20 barrels of oil per day and a US\$60 oil price, this additional well should generate approximately US\$66,500 per annum in operating income (approximately a 9% increase per well in total cash flow for Pryme) net to Pryme's interest. Pryme has a 21.85% working interest (16.39% net revenue interest) in the NWR No.16 well.



### **Increasing flow from Coleman No.7**

The Coleman No.7 development well was completed and brought into production seven (7) days ago with flow rates increasing daily to its current level of 65 barrels of oil per day with no water on an 11/64<sup>th</sup> choke and tubing pressure of 125 pounds. Most Middle-Wilcox wells do not produce without pumping units or other stimulation. In this case, the well is flowing on its own. We expect the rate to level out somewhere between 65 and 75 barrels per day as is the case with the other Coleman wells in the Routh Point field that produced in a similar manner in their initial phase.

The Coleman No.7 was drilled to a depth of 4,500 feet (1,371 meters) and encountered shows of oil in eight Wilcox sands, the G-4, G-3, F-2, E-3, C-2, B-4, B-2 and A-2 sands. The well is currently flowing from the C-2 formation with three (3) additional sands "up the hole" for future production. The successful completion and production of oil in the Coleman No.7 opens up another development well location to the northeast named the Coleman No.8 in order to test the F-2 sand. The F-2 was found in the Coleman No.7 and it is expected that the No.8 will effectively test the F-2.

Pryme has a 13% working interest (9.75% net revenue interest) in the Coleman No.7.

The directors and management team at Pryme are actively working on further oil projects in the LaSalle Parish area to add shareholder value. Details of this project should be announced early in 2007.

For further information please contact:

**Justin Pettett**  
**Chief Executive Officer**  
**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: +1 404 429 9939  
Email: [ryan@prymeoilandgas.com](mailto: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).*