



10 June 2010

The Company Announcements Platform  
Australian Securities Exchange  
Exchange Centre  
20 Bond Street  
SYDNEY NSW 2000

## **PLX Increases its Interest in Catahoula Lake Production**

Please find enclosed a copy of an announcement from Pryme Lake Exploration LLC (PLX) regarding its project located on Catahoula Lake, Louisiana. PLX is 50% owned by Pryme Oil and Gas Limited (ASX: PYM) and 50% owned by Future Corporation Australia Limited (ASX: FUT).

A copy of this announcement is available at the ASX and can also be viewed on the Company's website [www.prymeoilandgas.com](http://www.prymeoilandgas.com).

For further information please contact:

**Justin Pettett**  
**Managing Director/CEO**  
**Pryme Oil and Gas Limited**  
Telephone: +61 7 3371 1103  
Email: [justin@prymeoilandgas.com](mailto:justin@prymeoilandgas.com)

**Ryan Messer**  
**Executive Director/COO**  
**Pryme Oil and Gas Limited**  
Telephone: +1 713 401 9806  
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 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).*



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On 3 May 2010 Pryme Lake Exploration LLC ('PLX'), announced the acquisition of a 50% working interest (37.5% net revenue interest ('NRI')) in oil production, production facilities and prospective leasehold on Catahoula Lake, Louisiana, from Lamar Oil and Gas Inc. ('Lamar Property'). PLX is now pleased to announce that it has acquired the remaining 50% working interest (37.5% NRI) in the Lamar Property. The interest was acquired for US\$600,000.

The Lamar Property, which is incorporated in PLX' Catahoula Lake project, is not affected by the Chapter 11 bankruptcy filing of Tridimension Energy LP (see announcement of 3 June 2010). It includes three producing oil wells, two salt water disposal wells, onshore production facilities, associated infrastructure and various barges and crew boats. In addition, the acquired leasehold contains a number of prospective locations for exploration and development. The Lamar Property is operated by Pryme Energy LLC, the wholly owned subsidiary and operating arm of Pryme Oil and Gas Inc.

"Ownership of 100% of this key asset will provide an immediate increase in oil production for PLX and will strengthen its competitive advantage in oil exploration and production over the entire area of Catahoula Lake," said Ryan Messer, PLX' Managing Member and Pryme's Executive Director/COO.

### **Project Description**

Pryme Oil and Gas Limited and Future Corporation Australia Limited each own 50% of Pryme Lake Exploration ("PLX") which in turn owns a 50% Working Interest (36.5% NRI) in 7,676 mineral acres within Catahoula Lake and its surrounds and a 100% Working Interest (75% NRI) in 320 mineral acres within Catahoula Lake with associated oil production and facilities. PLX also owns a 50% interest in a drilling barge, service barges, crew boats and associated equipment which are required to drill and operate on Catahoula Lake.

The Catahoula Lake project is located in LaSalle, Rapides, and Grant parishes, Louisiana and is targeting multiple "stacked" oil zones throughout the Middle-Wilcox formation at depths ranging from 4,500 to 5,500 feet. Wells drilled in the Middle-Wilcox exhibit long production lives with low decline rates after the initial flush oil is produced and relatively steady production is established. Ultimate oil recoveries are expected to range from 50,000 through to 200,000 barrels drilled from land locations and in excess of 250,000 barrels for each successful well drilled from lake locations.

Ownership of the only equipment available to drill and service wells on Catahoula Lake provides PLX with a significant competitive advantage over other explorers throughout the entire 30,000 acre area of the lake, almost all of which is prospective.

Tel: +1 713 401 9806 Fax: +1 832 201 0936  
1001 Texas Ave Suite 1400 Houston TX 77002

CATAHOULA LAKE - LOUISIANA



For further information please contact:

**Ryan Messer**  
**Managing Member**  
**Pryme Lake Exploration LLC**  
US Phone: +1 713 401 9806  
Email: [ryan@prymeoilandgas.com](mailto:ryan@prymeoilandgas.com)

**Barnaby E Warburton**  
**Managing Member**  
**Pryme Lake Exploration LLC**  
AUS Phone: +61 2 8003 3438  
Email: [bew@futurecorp.com.au](mailto:bew@futurecorp.com.au)

*The information in this announcement has been reviewed by James A. Stewart (a registered professional Petroleum Geologist in the State of Louisiana and Mississippi in the United States of America) who has over 20 years experience in petroleum geology, drilling, well completions and production operations. Mr Stewart reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place or flow rates in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at [spe.org](http://spe.org).*

Tel: +1 713 401 9806 Fax: +1 832 201 0936  
1001 Texas Ave Suite 1400 Houston TX 77002

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