



30 November 2009

More Oil Discovered in Four Rivers Project

The 14th well in the Four Rivers project, the Crosby 31-11 No.1 in the Saukum Field Prospect, has been drilled to a total depth of 7,500 feet and logged resulting in the discovery of approximately 10 feet of net oil pay between shale in the Middle Wilcox sand formation.

The result confirms at least the more conservative of two interpretations of the Crosby 31-11 No.1 location using a reservoir area of 55 acres with potential of 165,000 barrels of oil recoverable (BOR). When subtracting the already produced 36,000 barrels of oil from the offsetting Gulf No.31 well leads to an estimate of 129,000 BOR.

"This is a great outcome and will result in several offset development locations being identified for future drilling," said Justin Pettett, Pryme's Managing Director. "Discovering oil bearing sands between shale in the Middle Wilcox Trend is ideal and usually results in water production being kept to a minimum."

Pryme's Net Revenue Interest in the Crosby 31-11 No.1 well is 18.75% (25% Working Interest).

Drilling of the first offset well to the Crosby 16-4 No.1, which was drilled in May of this year and is currently producing at a steady 30 barrels of oil per day (100% basis), is scheduled to begin later this week. The Crosby 16-4 No.2 will be drilled to a total depth of 7,000 feet consistent with the Company's plan to drill one to two wells per month in the Four Rivers project.

Project Description

Pryme has a 25% Working Interest (18.75 - 20% Net Revenue Interest (NRI)) in the Four Rivers project which extends from Winn, Concordia and Catahoula Parishes in Louisiana to Adams, Jefferson and Wilkinson Counties in Mississippi. The project is targeting multiple "stacked" oil zones throughout the Middle-Wilcox formation and, to a lesser extent, shallow Frio natural gas zones, at depths ranging from approximately 4,000 to 7,000 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. They are relatively inexpensive to drill and typically have low operating and on-going maintenance costs.

For further information please contact:

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

Ryan Messer
Chief Operating Officer
Pryme Oil and Gas Limited
Telephone: +1 713 401 9806
Email: 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 management team has over 75 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).

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.