



ASX Announcement / Media release

13 September 2006

Second Development Well to be Drilled at LaSalle Parish

Pryme Oil and Gas Limited (ASX Code: PYM), a fast-growing Australian oil and natural gas producer and explorer operating in the U.S., is pleased to announce that late this week it will start drilling a second development well in the Routh Point field at the LaSalle Parish Project, part of a campaign aimed at increasing production and revenue from the project.

The Coleman No.6 well, to be drilled with operator Belle Oil (Belle), will be drilled to a depth of 4,500 feet (1,371 metres) in an effort to establish oil production in the Wilcox F-2 sand, which was logged and cored productive in the existing Coleman No.3 well but has yet to be perforated at Routh Point. Coleman No.6 is 150 feet north and slightly east of Coleman No.3. The new well is being drilled to gain structure over Coleman No.3 and to penetrate the F-2 Sand in a thicker portion of the reservoir as outlined in the enclosed structure map. The F-2 sand interval already encountered in Coleman No.3 should be sufficient to establish commercial production.

The Routh Point field averaged production of 177 barrels of oil a Day (BOPD) in July 2006. The focus of the future development drilling will be to move reserves from the "behind-pipe" category to the proved producing category to increase daily output.

"If Coleman No.6 is successful it will increase production and revenues for Pryme and enable us to capitalise on these high oil prices," Pryme Chief Executive Officer Justin Pettett said. "We have an aggressive drilling program planned for LaSalle Parish during the remainder of 2006. Our team is currently reviewing two other oil prospects within the project area, as well as its Wave Exploration JV projects, and combined these have the potential to further bolster Pryme's earnings."

There are five other sands of the Wilcox Formation at LaSalle Parish that are secondary objectives for Coleman No.6. These secondary objectives include the A-2, B-2, C-2, E-3 and H-2 sands. The A-2, C-2, G-3 and H-2 sands are currently producing in the Routh Point Field.

The Directors of Pryme continue to remain focused on the "Phase I" plan of aggressively pursuing the drilling of development and step out wells in the LaSalle Parish Project. The company is planning to drill an additional six wells before the end of the year to further strengthen Pryme's revenues.

Pryme has a 13% working interest (9.75% net revenue interest) in the Coleman No.6 well with results from the drilling expected 7-10 days after the start of drilling.



Pryme Oil and Gas Limited is a fast-growing 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 in 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) and Ananda Kathiravelu (Non Executive Director).

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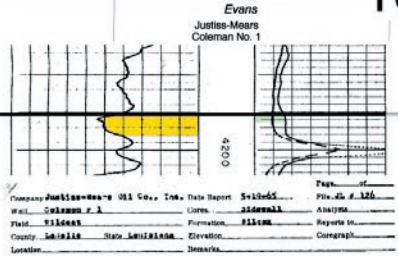
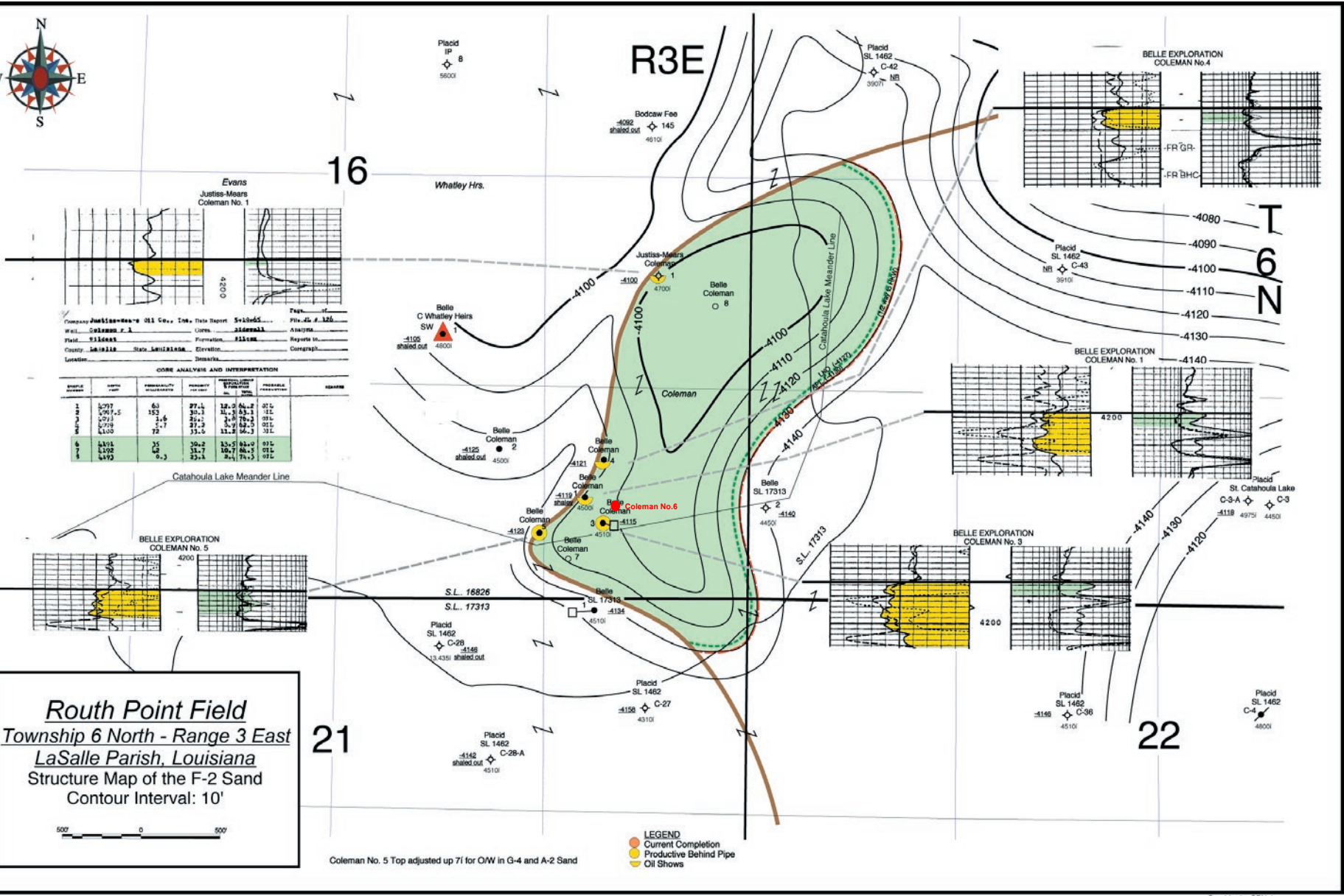
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ATLANTA - BRISBANE - HOUSTON



CORE ANALYSIS AND INTERPRETATION

DEPTH (FEET)	DEPTH (METERS)	PERCENTAGE SAND	PERCENTAGE SILT	PERCENTAGE CLAY	PERCENTAGE GRAVEL	PERCENTAGE OTHER	PERCENTAGE TOTAL	PERCENTAGE SAND	PERCENTAGE SILT	PERCENTAGE CLAY	PERCENTAGE GRAVEL	PERCENTAGE OTHER	PERCENTAGE TOTAL
1	1,097	63	27.4	12.2	0	0	102.6	0	0	0	0	0	0
2	1,097.5	152	30.1	21.3	0	0	152.4	0	0	0	0	0	0
3	1,098	21.6	29.2	3.8	0	0	55.4	0	0	0	0	0	0
4	1,098.5	75	31.2	3.9	0	0	110.1	0	0	0	0	0	0
5	1,101	35	30.2	13.5	0	0	79.2	0	0	0	0	0	0
6	1,102	62	31.7	10.7	0	0	104.4	0	0	0	0	0	0
7	1,102.5	0.3	23.1	0.4	0	0	23.8	0	0	0	0	0	0

Routh Point Field
 Township 6 North - Range 3 East
 LaSalle Parish, Louisiana
 Structure Map of the F-2 Sand
 Contour Interval: 10'



- LEGEND**
- Current Completion
 - Productive Behind Pipe
 - Oil Shows

Coleman No. 5 Top adjusted up 71 for OW in G-4 and A-2 Sand