20 June 2008

Third Well Drilling in Turner Bayou

Drilling of the third test well (Trifolia 9 No. 1) in the Turner Bayou 3D seismic project has commenced. The well is targeting the Frio sand interval. It is the first of two Turner Bayou wells to be drilled during June and the third well to be drilled in the project.

Drilling is currently at 620 feet and it is expected that the target depth of 5,000 feet will be reached next week.

Project Description

Pryme has a 52% interest (39% NRI) in the Turner Bayou project which is contained within approximately 80 square miles (50,000 acres) of proprietary 3D seismic. Primary targets consist of six prospective formations ranging from the shallowest Frio, at a depth of 3,000 feet, to the Tuscaloosa at 16,000 feet. Executing the Turner Bayou Project has been an important objective since Pryme's ASX listing; it has the potential to produce substantial value for shareholders.

For further information please contact:

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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 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), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).