

24 May 2007

Project Update – Raven ready to drill & 3D seismic recorded

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 a project update on its Raven and Turner Bayou Projects.

Raven Project

The site of the first Raven well named the Spinks-Middlebrooks #11-1 has been cleared and is ready for the drilling rig. In the past week we have experienced a lot of rain in northern Louisiana and the site must dry out before moving onto location. The water well is scheduled to be drilled and conductor set next week. We are expecting to spud this well ahead of schedule in the first week of June.

The target depth of the well is approximately 10,000 feet and will test the “C” and “Price” sands of the Cotton Valley formation. Prospective reserves for this well are 5Bcf based on analogue well production data and known permeabilities in the immediate area. Pryme has a 40% working interest (30% Net Revenue Interest) ownership in the project. The well should take about three weeks to drill. Nelson Energy has extensive experience drilling Cotton Valley wells over the past two decades.

The Raven project covers mineral leases in the prolific Cotton Valley and Hosston natural gas trends in Lincoln Parish, Louisiana. Raven exists along a natural gas fairway of Cotton Valley marine bars which are the target of the Raven project.

Turner Bayou

We are pleased to report that the data collection phase of Turner Bayou has been completed with over 50,000 acres of 3D seismic recorded. Once the seismic data is processed, the data will be evaluated in order to design and organize the drilling program.



Site being cleared on the first Raven Project well - the Spinks-Middlebrooks #11-1 prior to the rain.



Woody Dunn (Weems Geophysical field superintendent) inspecting fuse wire connected to field charges and receiver lines within the 3-D shoot.

“We are very excited about the conclusion of the seismic shoot in Turner Bayou and look forward to the evaluation and forthcoming drilling program. We are hopeful that this project will reveal numerous drilling locations, shallow and deep,” said Pryme’s Managing Director, Justin Pettett.

Pryme has a 52% working interest (39% NRI) in Turner Bayou. The primary targets are six prospective formations in a range of 2,000 feet to 16,000 feet. Turner Bayou is on trend with, and adjacent to, Moncrief Field, which has produced 60 Bcf from the Austin Chalk and Tuscaloosa formations.

The directors are currently in discussion with several companies to farm-out working interest in Kestrel, Condor and Atocha on favorable terms to Pryme.

In addition the directors continue to review prospective exploration opportunities in Louisiana and the Gulf States.

For further information please contact:

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

Ryan Messer
President
Pryme Oil and Gas Inc
Telephone: +1 404 429 9939
Email: 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).