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## New Oil Exploration Project ready to Drill

Pryme Oil and Gas Limited (ASX: PYM / OTC: POGLY) would like to announce the commencement of their participation in an oil exploration project named Saline Point. This project is located in the southern portion of Catahoula Lake in LaSalle Parish, Louisiana. The project will target in excess of 2 million barrels of oil and is located near Catahoula Lake and South Catahoula Lake fields that have produced 24 million and 4 million barrels of oil respectively to date.

The initial well will be drilled with a land rig in the month of September 2007 during the annual lake drying period. Production facilities will be located on land to the south of the wells and outside of the lake boundary. The prospect is located 2.5 miles south of Pryme's Routh Point Field in the LaSalle Parish project which has proven reserves of 1.45 million barrels of oil confirmed by an R.A. Lenser and Associates reservoir engineering study.

The first test location will be drilled to a depth of approximately 5,000 feet with the primary objectives being upper sands of the Wilcox formation. Weather permitting a second test will be drilled back-to-back with the first and will be drilled to the same depth targeting middle and lower sands of the Wilcox formation with several additional secondary sands that may be logged productive that are also prevalent in the immediate area.

"Pryme's management has over six years business history drilling more than eighty-five tests throughout the Wilcox basin in LaSalle Parish. Fifty percent of those tests proved successful resulting in several new oil field discoveries. This success rate is double the basin average of only twenty-five percent," said John Dickinson Pryme's Chairman.

Pryme has a 26.96% working interest (20.22% net revenue interest) in this project. Typical drilling and completion costs for this depth well in LaSalle Parish is US\$500,000 per well to the 100% working interest including production facilities.

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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 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).*