



ASX Announcement / Media release

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Pryme to Drill Mississippi Exploration Well With Belle Oil

Pryme Oil and Gas Limited (ASX Code: PYM), a fast-growing Australian oil and natural gas producer and explorer operating in the U.S., to drill the first well in an exploration program with Belle Exploration Inc. ("Belle"), the operator of Pryme's producing assets in the Wilcox Basin.

The Hogue Estate "GT" No.4 well is located in the Glasscock Island area of Adams County, Mississippi. Pryme has the opportunity to participate with Belle in a series of oil exploration wells in addition to Pryme's development/step-out wells in the LaSalle Parish Project. In addition to the Hogue Estate "GT" No.4, two other oil exploration wells are planned for later this year. If successful, the wells will add reserves to Pryme's revenue from LaSalle Parish.

The "GT" No.4 well is to be drilled to a depth of 6,200 feet targeting the Tew Lake formation and other Wilcox sands. The prospect area is in a trend that exhibits classical solution gas and water-drive, long-term oil production.

"The Hogue Estate project is an addition to our suite of exploration assets in neighbouring Louisiana," said Pryme Managing Director Justin Pettett. "We are pleased to be working with Belle to further our successful relationship in LaSalle Parish."

Essentially the prospect involves the drilling of an offset well to the "GT" No.1, which Belle drilled and plugged and abandoned in December 2003 when oil prices were in the low US\$20 per barrel range. This new test is in a "fairway" of analogous production which is characterized by oil reserves with strong initial flow rates and long-life production. The results of this well are expected in the next 4-5 days.

Pryme has a 20% working interest (15% net revenue interest) in the well and is paying the industry standard "third-for-a-quarter to the casing point" trade to Belle for deriving the prospect.

Pryme Oil and Gas Limited is a fast-growing Australian oil and natural gas producer and explorer with interests in the U.S. 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. Directors of the company are John Dickinson (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).

For further information please contact:

Justin Pettett

Managing Director

Pryme Oil and Gas Limited

Telephone: +61 07 3371 1103

Email: justin@prymeoilandgas.com

Dudley White

Savage & Horrigan

Telephone: +61 02 8281 3235

Email: dudley@savage-horrigan.com.au

ABN 75 117 387 354

Tel: +61 7 3371 1103 Fax: +61 7 3371 1105

Level 7 320 Adelaide Street GPO Box 111 Brisbane Queensland 4001

ATLANTA - BRISBANE - HOUSTON