



ASX Announcement / Media release

6 June 2006

New oil shows found at LaSalle Parish Project, Louisiana

Belle Exploration Inc, has advised that the SU118 No.2 step-out well was successfully drilled to a total depth of 4,400 feet (1,341 metres) and encountered five feet of the G-1 sand. A core analysis indicated excellent permeability and the completion of the well has begun with the running of well casing. Commercial oil shows were also recovered from two other secondary objectives, the F-1 and the F-4 sands which each contained 4 feet of pay. Marginal oil shows were also recovered from the C-2 sand and the F-2 intervals. The F-1 and the F-4 zones will be kept as Proved, Undeveloped formations for future recompletion up the hole.

"We are pleased with the success of this well and look forward to drilling the next development well, Coleman No. 6, to increase production and revenues and capitalise on current high oil prices," said Pryme Managing Director Justin Pettett.

Pryme has a 10% working interest (7.5% net revenue interest) in the SU118 well, which is operated by Belle. The G-1 sand is currently producing at a rate of +/- 75 barrels of oil a day to the south and has cumulative production that exceeds 56,000 barrels since December 2003.

As previously announced, the Directors have commissioned Lenser & Associates of Houston, a high-profile petroleum engineering firm, to complete a reserve report on the LaSalle Parish Project, which will show Proved, Producing, Probable and Possible reserves by the conservative "deterministic" method required by banking institutions. Completion of this report has been delayed and it is expected to be received by the Company later this month and announced shortly thereafter.

Pryme Oil and Gas Limited (PYM) is an emerging Australian, ASX-listed company focused on seeking out and evaluating investment opportunities in oil, natural gas and coal bed methane projects in the U.S. Directors of the company include John Dickinson (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Non Executive Director) and Ananda Kathiravelu (Non Executive Director).

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The geological information included in this announcement is based on information provided by Mr James Stewart, a qualified geologist retained as a technical consultant to the Company. Mr Stewart has practised as a geologist in the petroleum industry in Louisiana for over 20 years. Mr Stewart has consented to the inclusion of the geological information in this announcement in the form and context in which it appears.