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Sixth Four Rivers Well begins Production

The Jack Allen No.7 well in the West Catahoula Lake Prospect, which was drilled to a depth of 4,400 feet and logged earlier this month, has now been tied into production facilities and is flowing at a steady rate of 45 barrels of oil per day. Formation pressures are high and indicate that the well has the potential to produce oil at around this rate over a long period. The oil flow is being artificially restricted with a choke to preserve the integrity of the well bore and reduce the risk of damaging the formation. The well is producing 100% oil with no water production

“Completion results have confirmed that the Jack Allen well could be the best producing well drilled to date in the Four Rivers project. Over 40 net feet of oil sands were discovered and well pressures confirm the potential for good performance of the well over many years,” said Justin Pettett, Pryme’s Managing Director. “With six producing wells, we are now seeing evidence of the success we expected from the Middle Wilcox trend in the Four Rivers project. We look forward to continuing drilling through 2010.”

Pryme’s Net Revenue Interest in the Jack Allen No.7 well is 18.75% (25% Working Interest.).

Logging of the Crosby 31-11 No.1 well in the Saukum Field Prospect expected in 48 hours

Drilling of the 14th well in the Four Rivers Project, the Crosby 31-11 No.1 well in the Saukum Field Prospect, is nearing completion. The well is currently at a depth of 6,800 feet; planned total depth is 8,000 feet. Drilling and logging are expected to be completed within the next 48 hours.

Four Rivers Project Resource Statement

Pryme has contracted an independent petroleum engineer to analyse the reserves and resources of the Four Rivers project incorporating the results from all wells drilled to date. This analysis will form the basis for evaluating the economic viability of the project and the strategy of targeting moderate risk oil prospects with the potential for rapid conversion to production.

A resource statement for Pryme’s entire portfolio of wells and projects, based on Society of Petroleum Engineers (SPE) guidelines, is also being prepared. The resource statements are due to be completed by year end.

Project Description

Pryme has a 25% Working Interest (18.75 - 20% Net Revenue Interest (NRI)) in the Four Rivers project which extends from Winn, Concordia and Catahoula Parishes in Louisiana to Adams, Jefferson and Wilkinson Counties in Mississippi. The project is targeting multiple “stacked” oil zones throughout the Middle-Wilcox formation and, to a lesser extent, shallow Frio natural gas zones, at depths ranging from approximately 4,000 to 7,000 feet. Wells drilled in the Middle-Wilcox exhibit long production lives with low decline rates after the initial flush oil is produced and relatively steady production is established. They are relatively inexpensive to drill and typically have low operating and on-going maintenance costs.



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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the Gulf States of the U.S. The company has oil and gas 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) and Ryan Messer (Executive Director).

The information in this announcement has been reviewed by James A. Stewart (a registered professional Petroleum Geologist in the State of Louisiana and Mississippi in the United States of America) who has over 20 years experience in petroleum geology, drilling, well completions and production operations. Mr Stewart reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place or flow rates in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org.