



21 November 2007

Drilling of Second Well in Raven Project begins

The second well (Grable 15#1) in the Raven exploration project began drilling yesterday in Louisiana (USA time). The target depth of the well is 11,000 feet in order to test three primary formations: the "C" sand, the "Price" sand and a third deeper sand of the Cotton Valley formation. Drilling is expected to take approximately 21 days.

"The drilling of the Grable 15#1 advances our strategy of building earnings and reserves, with the objective of a revaluation of the company." said Justin Pettett, Pryme's Managing Director.

Pryme has a 40% working interest (30% net revenue interest) in this project.

Raven Project Description

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 targets. Approximately ten drilling locations have been identified in the project with the leasing of acreage continuing.

Turner Bayou Project Update

The drilling of the first group of wells in the Turner Bayou 3-D seismic project should begin later next week. Five wells are planned to be drilled back-to-back through to the beginning of January 2008. The primary formations to be targeted in this first phase are the Frio and Miocene sands.

For further information please contact:

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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).