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Fourth Oil Discovery in Four Rivers Project

The latest well in the Four Rivers project (Missiana 18-11 No. 2 well in the Honey Brake Lake Prospect) has been drilled to a depth of 7,000 feet. Core sampling and logging have identified two commercial oil bearing sands in the Wilcox formation with eleven feet in net thickness gaining structure from a nearby channel sand reservoir. Production casing has been run and the well is being prepared for completion.

The objective in drilling this well was to intersect sands which are of a higher quality and with better structure than those encountered in the Honey Brake Lake discovery well. The discovery well was drilled in 1984 and continues to produce oil today, although at a low rate. It is expected that the intersection of a good thickness of higher quality sands in the reservoir will lead to greater reserves and a higher production rate than were achieved from the discovery well. The result from logging appears to support this expectation.

“This is the fourth discovery we’ve made in the Four Rivers project,” said Managing Director, Justin Pettett. “Results to date from the project confirm the merit in our strategy of targeting moderate risk oil prospects with potential for rapid conversion to production if successful.”

Drilling of the next well in the project is scheduled to commence within a week and will target a similar structure to that of the Missiana. Drilling in the Four Rivers is on target at one to two wells per month and should continue at this rate for the rest of the year.

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.

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 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), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).