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Four Rivers Project: First Well of 2010 a Success

LP Minerals No.1 intersects oil bearing formations

The first well for 2010 in the Four Rivers Project, the LP Minerals No.1 in the Louisiana Pacific Prospect, has reached target depth of 4,500 feet. Core sampling and logging indicate approximately 32 feet of net oil pay from multiple Wilcox sands. Production casing is being run and the well is being prepared for completion.

As planned, the well intersected the same Middle Wilcox sands as are producing in the adjacent Jack Allen No.7 well and increased the extent of the known oil reservoir. Additional oil bearing sands were also discovered enabling the establishment of offset locations, or Proven Undeveloped locations (PUD's), for future drilling.

Crosby 16-4 No.2 well completion update

Completion of the Crosby 16-4 No.2 well in the Kelly Hill Prospect is underway. The well was drilled in mid December 2009 as an offset to the Crosby 16-4 No.1 well. Crews have experienced minor delays due to inclement weather conditions and now expect to have the well online and producing within two weeks. Further results will be released to the market when the well has been completed.

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:

Justin Pettett
Managing Director
Pryme Oil and Gas Limited
Telephone: +61 7 3371 1103
Email: justin@prymeoilandgas.com

Ryan Messer
Chief Operating Officer
Pryme Oil and Gas Limited
Telephone: +1 713 401 9806
Email: ryan@prymeoilandgas.com

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 spe.org.