



2 March 2009

Oil Discovery in Four Rivers Project

The third well in the Four Rivers project (Hall No. 1, Sunnyside prospect) reached total depth of 6,000 feet on Saturday and was logged, resulting in the discovery of approximately 17 feet of oil pay in two separate intervals. The Artman Channel Sand, the primary objective, and an unanticipated shallower zone both appear to be commercially productive. Production casing has been run and the well is being set up for completion.

Ryan Messer, Pryme's Chief Operating Officer, said "We are excited about this discovery; we had good shows in the target interval and the additional shallow pay zone raises the potential for several offset drilling locations. In the Four Rivers project we are targeting a mix of moderate risk oil prospects with potential for rapid conversion to production if successful. This approach allows the management team to leverage valuable capital with an explicit focus on building Pryme's oil production and reserves in the near term."

Drilling will resume in the Four Rivers project in a couple of weeks with the North Natchez prospect, a prospect that will be drilled up-dip to existing oil production, the first of three prospects to be tested in the next round of drilling.

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 and Jefferson 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 3,000 to 6,000 feet. Pryme's partner in this project is Tridimension Energy of Dallas, Texas, a successful regional explorer and producer which has drilled more than 40 wells in the region over the past twelve months with a success rate above 70%.

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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).