



2 July 2008

Turner Bayou Drilling Update

The drilling of the second Turner Bayou well in the current program (Indigo Minerals #29) is planned to commence during the second week of July. Drilling contractor commitments have delayed mobilising the well to site following the drilling of the Trifolia well which was drilled, cased and temporarily shut in as a potential producing well on the 23rd of June.

The Indigo Minerals No.29 well will test a high priority seismic anomaly which was identified in the Turner Bayou 3D seismic shoot carried out by Pryme and its joint venture partners. It will target the Frio formation and is planned to be drilled to a depth of 4,600 feet. Drilling will take approximately one week from commencement.

Project Description

Pryme has a 52% interest (39% NRI) in the Turner Bayou project which is contained within approximately 80 square miles (50,000 acres) of proprietary 3D seismic. Primary targets consist of six prospective formations ranging from the shallowest Frio, at a depth of 3,000 feet, to the Tuscaloosa at 16,000 feet. Executing the Turner Bayou Project has been an important objective since Pryme's ASX listing; it has the potential to produce substantial value for shareholders.

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).