



Oil Found in NWR No.17 in LaSalle Parish Project

Drilling Continues on Fourth Development Well

Atlanta, Georgia, December 20, 2006 - Pryme Oil and Gas Limited (ASX: PYM / OTC: POGLY), an oil and natural gas producer and explorer operating on shore in the U.S. with interests and focus in the Gulf States and Texas, is pleased to announce that it has encountered 23 feet of excellent oil sand in the Northwest Rogers No.17 well that was logged today. The rig is currently moving to drill the next development well, the Northwest Rogers No.16, in the LaSalle Parish Project and is expected to be spudded tomorrow, 20 December in the USA.

Commercial oil shows found in NWR No. 17

Belle Exploration (Belle), the field operator, has advised that the Northwest Rogers No.17 well was successfully drilled to a total depth of 1,683 feet (513 metres). A dual induction sonic log from 1,683 feet (513 metres) to the base of the surface casing of 169 feet and 24 sidewall cores were taken to be analyzed between the interval 1,316 feet through to 1,462 feet. The log and the cores revealed 23 feet of excellent oil sand in the "3rd Cockfield" at 1,439 feet – 1,462 feet. There is no oil/water contact and the resistivity in this interval reached nine (9) ohms, a clear indication of pure hydrocarbons in a very permeable sandstone.

When a sand package is determined to be "between shale", as in this case, it typically means the well can achieve higher production rates by preventing oil migration into other "up-dip" sands and water encroachment into the producing zone. The core and log analyses indicated excellent permeability and no signs of depletion from the adjacent producing wells, making the decision to run production casing and complete the well an easy one.

"We are very pleased with the results from our analysis of the pay sand. Because there are no signs of depletion from offset production, it provides the opportunity for more low-risk drilling locations than first expected, which should result in increased oil production and earnings for Pryme," said Pryme's US-based President Ryan Messer.

Typical production rates from wells in and near the same field completed in the 3rd Cockfield Sand have been 25-35 barrels of oil per day initially, with a sustainable rate of 18-22 barrels of oil per day over a thirty year period. At a sustained production rate of 20 barrels of oil per day and a US\$60 oil price, this additional well should generate approximately US\$66,500 per annum in operating income (approximately a 9% increase in total cash flow for Pryme) net to Pryme's interest. Pryme has a 21.85% working interest (16.39% net revenue interest) in the NWR 17 well.

Fourth development well spudded in LaSalle Parish Project

After setting production casing on the NWR No.17, the rig will then drill the NWR No.16 which is expected to be spudded on 20 December, US Central time, by Belle. The well will be drilled to an



approximate depth of 1,700 feet (518.16 metres) in an effort to establish oil production in the Cockfield formation. As with the NWR No.17, it is estimated that target depth will be reached within 48 hours of the well being spudded. It is still unknown in this field to what extent the reservoir extends to the south east which, when tested, could open up a brand new play and further oil reserves for Pryme.

The NWR No.16 will be drilled approximately 250 feet northeast of the NWR No.6 and 250 southeast of the No.7 (see attached survey plat.). Pryme owns a 21.85% working interest (16.39% net revenue interest) in the North West Rogers No.16.

The directors and management team at Pryme are actively working on other oil projects in the LaSalle Parish area to add shareholder value. Details of this effort should be announced early in 2007.

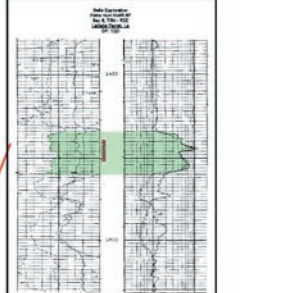
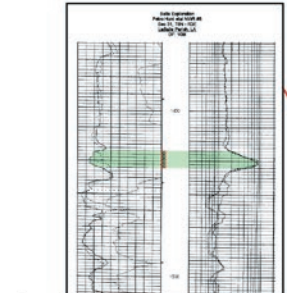
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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the U.S., the world's biggest oil market. The company has an exceptional suite of exploration projects focused on Louisiana, the fifth-largest oil-producing 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).

CUMULATIVE PRODUCTION thru 7/05
 NWR No. 1, 4, 6 and 7 74,868 BO
 NWR No. 8 and 10 10,640 BO
 Total 85,508 BO



DATE: 01/21/04
 COMPANY: BELL EXPLORATION INC.
 WELL: PETRO-HUNT 214, WPT NO. 8
 LOCATION: SEC 31 N3E
 FORMATION: COCKFIELD SAND

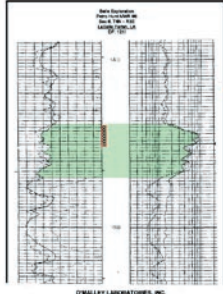
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DATE: 08/22/03
 COMPANY: BELL EXPLORATION INC.
 WELL: PETRO-HUNT 214, WPT NO. 8
 LOCATION: SEC 31 N3E
 FORMATION: COCKFIELD SAND

DEPTH	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG
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Comp: 01/21/04 Part: 1426-1434 Cookfield Sand
 IPI: 33 bopd
 TP: 2258' Choke: 8.2564 Gravity: 21°

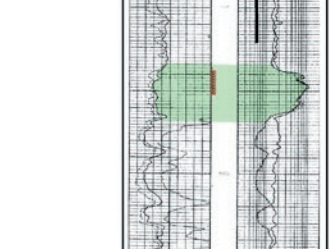
Comp: 08/22/03 Part: 1427-1428 Cookfield Sand
 IPI: 40 bopd
 TP: 3028' Choke: 7.7504 Gravity: 21°



DATE: 01/21/04
 COMPANY: BELL EXPLORATION INC.
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DEPTH	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG
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Comp: 08/22/03 Part: 1426-1431 Cookfield Sand
 IPI: 40 bopd
 TP: 1738' Choke: 10.5464 Gravity: 21°



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 COMPANY: BELL EXPLORATION INC.
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DEPTH	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG
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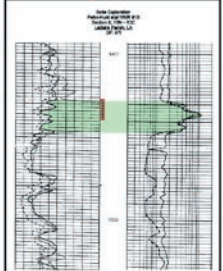
Comp: 01/21/04 Part: 1426-1432 Cookfield Sand
 IPI: 40 bopd
 TP: 758' Choke: 10.5364 Gravity: 21°



DATE: 01/21/04
 COMPANY: BELL EXPLORATION INC.
 WELL: PETRO-HUNT 214, WPT NO. 8
 LOCATION: SEC 31 N3E
 FORMATION: COCKFIELD SAND

DEPTH	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG
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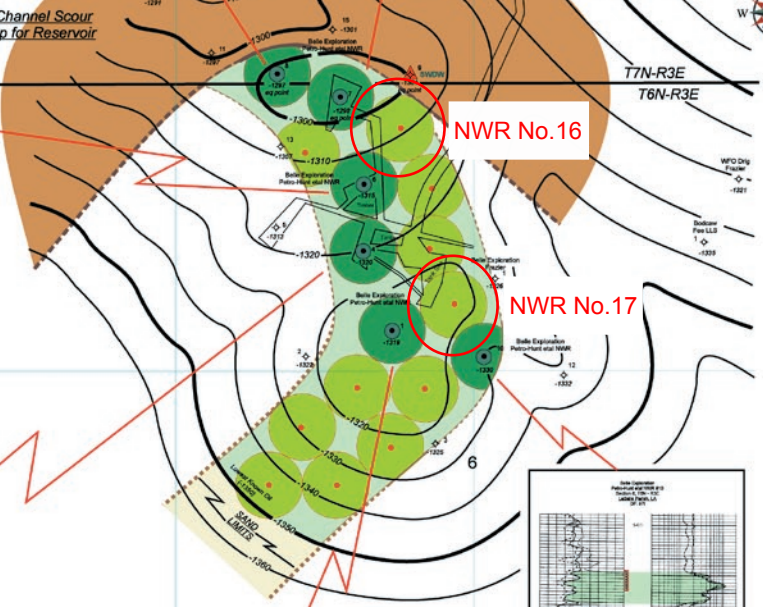
Comp: 10/01/03 Part: 1426-1433 Cookfield Sand
 IPI: 40 bopd, 13 bopd, 25% BESSAV
 TP: 3028' Choke: 8.5464 Gravity: 21°



DATE: 08/22/03
 COMPANY: BELL EXPLORATION INC.
 WELL: PETRO-HUNT 214, WPT NO. 8
 LOCATION: SEC 31 N3E
 FORMATION: COCKFIELD SAND

DEPTH	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG	LOG
10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

Comp: 08/22/04 Part: 1427-1428 Cookfield Sand
 IPI: 20 bopd
 TP: 1308' Choke: open Gravity: 21°



Fine Filled Channel Scour acting as trap for Reservoir

NWR No. 16

NWR No. 17

ROGERS FIELD
 (Northwest Rodgers Area)
 Section 6, T6N-R3 E and Section 31, T7N-R3E
 LaSalle Parish, Louisiana
 Structural/Stratigraphic Map of the Producing Cockfield Sand
 Contour Interval: 10'

- Existing Drainage Pattern for producing wells
- Proposed Drainage Pattern(locations)

