



27th April 2006

Joint ASX and Media Announcement

Pryme Commissions Reserve Report and Completes Louisiana Acquisition

Pryme Oil and Gas Limited (ASX: PYM) (Pryme) and its wholly-owned subsidiary, Pryme Oil and Gas Inc. a Delaware, USA corporation (Pryme Inc.), is pleased to provide an update on current activities involving our projects in the United States.

Pryme expects pending reserve report to demonstrate appropriate value

The Directors have commissioned Lenser & Associates of Houston, a high-profile petroleum engineering firm, to complete a reserve report on the LaSalle Parish Project, which will show Proved, Producing, Probable and Possible reserves by the conservative "deterministic" method that is required by banking institutions. We expect this report to demonstrate that Pryme has acquired the asset at appropriate value for shareholders. This report will be completed mid to late May.

Pryme listed on the ASX on the 21st of April, soon after showing a 40% premium to issue price

The Directors of Pryme are delighted with the first several days of trading of the Company's stock. Trading has been strong with the stock closing at a 40% premium. The Directors believe this to be in response to their business plan derived from: i) their five-year experience in the area and their personal involvement in drilling the 21 wells acquired; ii) Pryme's regional focus; and: iii) the exceptional potential of the 3-D seismic exploration phase being initiated with some of the most successful explorationists in the region. The 3-D seismic projects will target geological formations that are often exploited by "large cap" oil companies and which have historically demonstrated high flow rates and high ultimate recoveries in this same trend area.

Completion of the LaSalle Parish Project Acquisition

The closing of the purchase of the LaSalle Parish Project in Louisiana took place on Wednesday the 19th of April 2006 with the assignment of all working interests' rights, title and ownership made to Pryme on that day. Pryme paid US\$3,110,000 in cash and 3,300,000 ordinary shares to Mr Jay Stewart and Craig J Sceroler Inc for the working interest. The effective date of the purchase was April 1st 2006, so that Pryme has accrued 19 days of April oil production to be sold at the end of the month. First revenue cheques from the sale of oil from April production will be received by the Company from Shell Oil (the oil purchaser) at the end of May 2006.



The LaSalle Parish Project

The LaSalle Parish Project is approximately 20 miles northeast of Alexandria, Louisiana. The area is geologically known as the "LaSalle Arch", which is oil productive from Wilcox sands that are Eocene Age. The Wilcox sands in this area are characterized by prolific, long-life oil production.

The Project comprises 21 oil wells, several with "stacked" oil formations that have been undeveloped, six formation water disposal wells and associated facilities, all of which are located in six separate fields with leases covering an area of approximately 1,125 acres as set out below:

Field Name	Interest	Oil wells	SWD wells	Acreage
Routh Point Field	10.00%	7	1	425 acres
Northwest Rogers Area	10.00%	6	1	80 acres
Petro Hunt et al Boot Hill Lease	5.00%	3	1	120 acres
Shirley State Area	10.00%	1	1	260 acres
Ward Lease	8.25%	2	1	160 acres
LA Pacific SU65 Ray 2-6SU 56	8.00%	2	1	80 acres

Note: SWD means Salt Water Disposal

For further information please contact Pryme Managing Director Justin Pettett on 07 3371 1103 or visit Pryme's website at www.prymeoilandgas.com