



Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

28 February 2008

Dear Sir

Directors Voluntarily Relinquish Options

In what they consider to be the best interest of Pryme Oil and Gas Limited (Pryme), Pryme directors Justin Pettett, Ryan Messer and John Dickinson have voluntarily relinquished options over 7,500,000 shares which were awarded in July 2007 under the Directors' Incentive Option Plan (DIOP) (and approved by shareholders).

Australian Accounting Standards require the expensing of the cost of options granted to employees under incentive plans regardless of whether the performance criteria which must be satisfied prior to the vesting of the options have been satisfied. The Directors believe that, whilst the Company is in the early stages of demonstrating its exploration and strategic development model, the cost to the Company of expensing these options is an impost on the Company's financial performance.

While Pryme has a good revenue stream from oil production in the LaSalle Parish Project, expensing of the Options granted under the DIOP 2007 award would have adversely impacted the Company's earnings for the year ended 31 December 2007 and subsequent reporting periods. The 2007 expense was estimated to be \$172,800 with a further \$691,200 to be expensed through to December 2009. With concerns about an expense of this magnitude and considering the best interests of the shareholders at this stage, Justin Pettett, Ryan Messer and John Dickinson have voluntarily relinquished this part of their compensation. Accordingly, the 7,500,000 Options granted under the DIOP 2007 award have lapsed effective 31 December 2007.

The incentive plans established under the 2006 DIOP and Directors' Share Incentive Plan (DSIP) remain. The Board remains confident that management are strongly committed and appropriately incentivised to meet and exceed the performance criteria for these plans which are:

Directors' Incentive Option Plan:

1. Upon Pryme increasing annual net operating income in the LaSalle Parish Project by 25% (to A\$1,250,000 annually calculated monthly) within 12 months from the date of listing Pryme through the drilling of further development wells. (This performance target has been achieved and options attributable to the first incentive which were allotted to Justin Pettett, Ryan Messer and John Dickinson have vested.)
2. Upon the successful conclusion of the 3D data acquisition (receipt of field tapes) the evaluation thereof and the preparation from the 3D data of at least ten (10) drilling prospects in the south central Louisiana seismic play (Turner Bayou) and a total of 1,000,000 cubic feet per day (1,000mcf) of gas



or oil equivalent (where the oil equivalent is 6,000 cubic feet (6mcf) equals 1 barrel of oil) net to Pryme is produced within the Performance Period which terminates on 30 June 2009.

3. Upon Pryme achieving an annualised EBIT of A\$10,000,000 calculated monthly from the projects that Pryme is involved in, within the Performance Period which terminates on 30 June 2009.

Directors' Share Incentive Plan:

Upon Pryme achieving annualised EBIT of A\$10,000,000 calculated monthly from the projects that Pryme is involved in, within the Performance Period.

The Board believes that there is a direct correlation between these targets, Pryme performance and shareholder wealth. Further information will be contained in Pryme's 2007 Remuneration Report.

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 a total of almost 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), John Dickinson (Non Executive Vice-Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity PRYME OIL AND GAS LIMITED
ABN 75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Justin Pettett
Date of last notice	7 December 2007

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	-
Date of change	28 February 2008
No. of securities held prior to change	Ordinary Shares 2,200,000 – Pettett Pty Ltd 10,000 – Infinity One Pty Ltd 65,000 – Pettett Family Super Fund \$0.20 Options exercisable through 30 June 2008 806,925 – Pettett Pty Ltd \$0.40 Options exercisable through 30 June 2008 500,000 – Pettett Pty Ltd 3,334 – Infinity One Pty Ltd 81,668 – Pettett Family Super Fund \$0.60 Options exercisable through 31 December 2009 3,000,000 – Justin Pettett
Class	\$ 0.60 Options exercisable through 31 December 2009
Number acquired	Nil

+ See chapter 19 for defined terms.

Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil
No. of securities held after change	<p>Ordinary Shares 2,200,000 – Pettett Pty Ltd 10,000 – Infinity One Pty Ltd 65,000 – Pettett Family Super Fund</p> <p>\$0.20 Options exercisable through 30 June 2008 806,925 – Pettett Pty Ltd</p> <p>\$0.40 Options exercisable through 30 June 2008 500,000 – Pettett Pty Ltd 3,334 – Infinity One Pty Ltd 81,668 – Pettett Family Super Fund</p>
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Voluntary relinquishment of 3,000,000 \$0.60 Options exercisable through 31 December 2009.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
Date of change	-
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	-
Interest acquired	-
Interest disposed	-
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	-
Interest after change	-

+ See chapter 19 for defined terms.

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Introduced 30/9/2001.

Name of entity PRYME OIL AND GAS LIMITED
ABN 75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Timothy Ryan Messer
Date of last notice	20 April 2007

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	-
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Indirect
Date of change	28 February 2008
No. of securities held prior to change	Ordinary Shares 1,700,000 – Sourcerock Investments LLC \$0.20 Options exercisable through 30 June 2009 965,925 – Sourcerock Investments LLC \$0.40 Options exercisable through 30 June 2008 566,667 – Sourcerock Investments LLC \$0.60 Options exercisable through 31 December 2009 3,000,000 – Sourcerock Investments LLC American Depository Receipts 555 (equivalent to 11,100 Ordinary shares) – Sourcerock Investments LLC
Class	\$ 0.60 Options exercisable through 31 December 2009

+ See chapter 19 for defined terms.

Number acquired	Nil
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil
No. of securities held after change	<p>Ordinary Shares 1,700,000 – Sourcerock Investments LLC</p> <p>\$0.20 Options exercisable through 30 June 2009 965,925 – Sourcerock Investments LLC</p> <p>\$0.40 Options exercisable through 30 June 2008 566,667 – Sourcerock Investments LLC</p> <p>American Depository Receipts 555 (equivalent to 11,100 Ordinary shares) – Sourcerock Investments LLC</p>
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Voluntary relinquishment of 3,000,000 \$0.60 Options exercisable through 31 December 2009.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
Date of change	-
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	-
Interest acquired	-
Interest disposed	-
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	-
Interest after change	-

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Change of Director's Interest Notice

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Introduced 30/9/2001.

Name of entity PRYME OIL AND GAS LIMITED
ABN 75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	John Dickinson
Date of last notice	20 April 2007

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	-
Date of change	28 February 2008
No. of securities held prior to change	Ordinary Shares 1,700,000 – John Dickinson \$0.20 Options exercisable through 30 June 2009 759,000 – John Dickinson \$0.40 Options exercisable through 30 June 2008 566,667 – John Dickinson \$0.60 Options exercisable through 31 December 2009 1,500,000 – John Dickinson
Class	\$ 0.60 Options exercisable through 31 December 2009
Number acquired	Nil
Number disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil

+ See chapter 19 for defined terms.

No. of securities held after change	<p>Ordinary Shares 1,700,000 – John Dickinson</p> <p>\$0.20 Options exercisable through 30 June 2009 759,000 – John Dickinson</p> <p>\$0.40 Options exercisable through 30 June 2008 566,667 – John Dickinson</p>
<p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	Voluntary relinquishment of 1,500,000 \$0.60 Options exercisable through 31 December 2009.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
Date of change	-
<p>No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed</p>	-
Interest acquired	-
Interest disposed	-
<p>Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation</p>	-
Interest after change	-

+ See chapter 19 for defined terms.