



3 December 2009

Four Rivers Project: Crosby 16-4 No.2 Well Commences

Drilling of the next well in the Four Rivers Project, the Crosby 16-4 No.2 well in the Kelly Hill Field Prospect, has commenced. The well will be drilled to a depth of 7,000 feet. Drilling and logging are expected to be completed next week.

The Crosby 16-4 No. 2 is the first offset well to the Crosby 16-4 No.1 well and is an attempt to expand the extent of the known oil reservoir, gain structure to the No.1 well and intersect the same commercial oil sands as the No.1 well. The Crosby 16-4 No.1 was drilled in May of this year, it identified three oil bearing sands, including the primary objective - the Walker Sand, and commenced production at 90 barrels of oil per day. It is now producing at a steady rate of 30 barrels per day.

“Our strategy of drilling moderate risk oil prospects with the potential for rapid conversion to production is progressing well,” said Justin Pettett, Pryme’s Managing Director. The latest oil discoveries within the Crosby acreage are testament to this strategy with exploration successes generating additional drilling locations.”

“We have previously referred to the financial analysis of the Four Rivers project which is currently underway. The analysis will be completed within 2 weeks following the logging and result of the Crosby 16-4 no.2 well which is the 15th well in this project,” said Ryan Messer, Pryme’s Chief Operating Officer.

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, Jefferson and Wilkinson 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 4,000 to 7,000 feet. Wells drilled in the Middle-Wilcox exhibit long production lives with low decline rates after the initial flush oil is produced and relatively steady production is established. They are relatively inexpensive to drill and typically have low operating and on-going maintenance costs.

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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the Gulf States of the U.S. The company has oil and gas 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) and Ryan Messer (Executive Director).

The information in this announcement has been reviewed by James A. Stewart (a registered professional Petroleum Geologist in the State of Louisiana and Mississippi in the United States of America) who has over 20 years experience in petroleum geology, drilling, well completions and production operations. Mr Stewart reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place or flow rates in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at spe.org.