



23 February 2009

Four Rivers Project Operational Update

The second exploration test (Weyerhaeuser 8-14 No. 1 in the Sandy Creek prospect) in the Four Rivers Project reached total depth of 3,200 feet and has been logged. The well intersected several feet of net natural gas pay in the targeted formation. We were expecting this new test to be structurally high to a nearby well that had shows of natural gas. However, evaluation of the well log and relevant seismic data indicates that the intersection of other potentially productive sands was structurally low relative to the offset well. As a result it has been decided to plug and abandon the well.

Drilling of the third scheduled well in the Four Rivers Project, the No. 1 Hall in the Sunnyside prospect has commenced. This well is an attempt to recover remaining oil from the Artman Channel Sand reservoir with a target depth of 6,000 feet. Drilling and logging of the well is expected to be completed in the coming week.

"We look forward to the ongoing drilling in this project. We have now drilled the natural gas portion of the program, the next eight prospects are targeting oil reservoirs," said Justin Pettett, Pryme's Managing Director. "Although a dry hole in the Sandy Creek prospect is unfortunate, Pryme's exposure was minimal at only US\$43,000."

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 and Jefferson 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 3,000 to 6,000 feet. Pryme's partner in this project is Tridimension Energy of Dallas, Texas, a successful regional explorer and producer which has drilled more than 40 wells in the region over the past twelve months with a success rate above 70%.

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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).