



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

24 January 2008

Dear Sir

PRIVATE PLACEMENT SUCCESSFULLY COMPLETED

The Board of Pryme Oil & Gas Limited (Pryme) is pleased to announce the completion of a placement of 18,800,000 fully paid ordinary shares in the capital of Pryme at \$0.35 per share to raise \$6.58 million. The placement was made to Messrs Ian McCauley and John Rawlins based in Queensland and Mr George Lloyd of Sydney.

"The further investment in Pryme by Messrs McCauley and Rawlins strongly supports the Company's US growth strategy," said Justin Pettett Pryme's Managing Director. "I would also like to welcome Mr Lloyd as a shareholder of the Company."

The placement is subject to shareholder approval, having regard to the share issue limits imposed by ASX Listing Rule 7.1. Accordingly, the Board of Pryme intends to convene a general meeting of shareholders on 5 March 2008 at 10.30am in the Oak Room, The Brisbane Club, 241 Adelaide Street, Brisbane Queensland to seek shareholder approval of the transaction. A notice of meeting will be dispatched to shareholders next week.

RMM Capital, of Brisbane, facilitated the placement for Pryme and will provide ongoing financial advisory support and assistance to the Company.

The additional working capital will allow Pryme to further its drilling campaign in the Turner Bayou and Raven Projects in Louisiana and to expand its exploration program into additional high impact areas in central Louisiana and Southern Texas.

For further information please contact:

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Pryme Oil and Gas Limited is an Australian Securities Exchange listed 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).