

15 August 2008

Third Raven Well Production Status

Further to the announcement of 29 July 2008, the third well (Patterson 16 No.1) in our Raven project has now been connected to the gas sales pipeline and natural gas and condensate sales have commenced. Production rates have been increasing, as the completion sand and fluids are recovered from the well, and are currently at approximately 1,000 Mcf per day of natural gas and 14 barrels per day of condensate. An increase in flow rate is a likely characteristic of these wells as they "clean up".

"The Raven Project is proving to be a strong contributor to Pryme's oil and gas production and reserves with results from the Patterson 16 No.1 well reinforcing our expectations," said Ryan Messer Pryme's Chief Operating Officer.

There are several additional locations to be drilled over the next two years with the next well to be drilled in the Raven project scheduled for the fourth quarter of the year. The route of the gas gathering line for this well is currently being investigated. Resolution of the route will determine the timing for drilling the well.



Flaring the Patterson 16 No.1 well

Project Description

The Raven project covers mineral leases in the prolific Cotton Valley and Hosston natural gas trends in Lincoln Parish, Louisiana. Raven exists along a natural gas fairway of Cotton Valley marine bars which are the target of the Raven project. Pryme has a 40% working interest (30% Net Revenue Interest) ownership in the project.

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 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).