



23 November 2010

Deshotels 20-H No.1 Completion and Corporate Update

The Deshotels 20-H No.1 well production liner (casing) has been set and cemented in place and the drilling contractor is demobilizing the drill rig. Perforation and flow testing of the well are expected to commence in early December.

Whilst it is expected that the Deshotels 20-H No.1 well will primarily produce oil, it is also expected that commercial quantities of natural gas will be produced and piped to market. Surveying of the route to the natural gas sales line, a distance of approximately 4 miles, will commence this week.

Pryme has a 40% working interest (30% net revenue interest (NRI)) in this well.

Corporate Update

Atocha Project

Following the poor result from the re-entry of the HM Brian No.1 well in the Atocha project and a review of prospectivity of the Atocha Project tenements, the Board has determined not to participate directly in the further exploration of the project. Pryme has assigned its interest, subject to retention of a 1% overriding royalty and fees payable to Pryme in respect of future exploration, to Amelia Resources LLC. The book value of the Atocha project is approximately A\$650,000 which will be written off.

Raven Project

The Company has assigned a 5% working interest and its overriding royalty interests in the Raven natural gas project to Amelia Resources LLC in settlement of outstanding claims in the amount of US\$167,500. Pryme will retain a 35% working interest (26.25% Net Revenue Interest) in Raven. A review of the carrying value of the project will be completed prior to year end.

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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 board of directors and management team has over 100 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) and Greg Short (Non-Executive Director).