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Four Rivers Project Drilling of Tenth Well Commences Steady Production from Trisler No.1

Drilling of the tenth well in the Four Rivers Project, the VUA Renfrow No.1 in the Patton Church Prospect, has commenced. The well will be drilled directionally under Wallace Lake to a true vertical depth of 4,590 feet. Drilling and logging are expected to be completed early next week.

The VUA Renfrow No.1 well is targeting the Tew Lake Sand within the Middle Wilcox Trend. The Patton Church Prospect is contained within the Patton Church Field which has produced in excess of 6.5 million barrels of oil to date with the Tew Lake Sand being the major contributor. Shale-outs within the Tew Lake Sand serve as trapping mechanisms for oil. The proposed well is targeting attic oil trapped by a shale-out of the Tew lake Sand with an attempt to gain structure over historical field production. Previous exploration has encountered oil in the top of the targeted sand.

"This will be the tenth well drilled in the Four Rivers Project and we are very pleased with the results to date. Following the Renfrow well we intend to prepare an analysis of the overall performance of the Four Rivers Project and will provide this information to the market," said Justin Pettett, Pryme's Managing Director. "Preliminary indications are that the project has been a very good investment for the company."

Trisler No.1 Well Flow Rate

As previously announced, the Trisler No.1 well in the Larto Lake Prospect has been completed and put online. In purchasing surface facilities for this well the project participants also acquired an adjacent well with low production. The combined production from the Trisler No.1 and the adjacent well is 31 barrels of oil per day. It is expected that production will be maintained at around this level subject only to normal rates of decline for Middle Wilcox Trend production. Pryme's Net Revenue Interest in the Trisler No.1 well is 20% (25% Working Interest).

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 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).

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 www.spe.org.