

Oil and Gas Reserves at 1 July 2010

- 1P oil reserves increased by 28% over 6 month period ending 30 June 2010
- 1P oil and gas reserves in terms of Oil Equivalent increased by 20% over 6 month period ending 30 June 2010

The following table sets out the estimated proved, probable and possible oil and natural gas reserves for the Pryme Oil and Gas (ASX: PYM) projects located in Louisiana and Mississippi, USA. All reserves are net to Pryme and net of third party royalty interests.

The reserve increases for the Four Rivers and the Catahoula lake projects are attributable to exploration success and acquisitions (after adjustment for production to 30 June 2010). The reserve increase for the Turner Bayou project is attributable to the Company's decision to retain a 40% working interest in the Turner Bayou Chalk project. The reserve decline for the LaSalle and Raven Projects is mainly attributable to production

Reserve estimates were made by performance, pore-volume analysis and analogy methods. The reserves presented in this report are estimates only and should not be construed as being exact quantities. Oil and natural gas prices used in the estimation of reserves are based on NYMEX Futures Pricing as of June 30, 2010.

RESERVE CATEGORY	1P - Proved			2P - Probable			3P - Possible		
	Oil (MBO)	Gas (MMcf)	Total MBOE	Oil (MBO)	Gas (MMcf)	Total MBOE	Oil (MBO)	Gas (MMcf)	Total MBOE
LaSalle	115.3		115.3	3.4		3.4	25.6		25.6
Turner Bayou	438.5	1,076.0	614.9	2,954.8	6,662.0	4,046.9	473.5	693.8	587.3
Raven	26.1	1,404.9	256.4						
Atocha							404.7	3,853.7	1,036.5
Four Rivers	108.5		108.5						
Catahoula Lake	139.2		139.2	231.7		231.7			
TOTALS	827.6	2,480.9	1,234.3	3,189.8	6,662.0	4,281.9	903.8	4,547.5	1,649.3



Notes:

1. Abbreviations:
 - i. MBO – Oil volumes expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons
 - ii. MMcf - Gas volumes expressed in millions of standard cubic feet (MMCF) at 60 degrees Fahrenheit and the contract pressure base
 - iii. MBOE – Oil equivalent expressed in thousands of stock tank barrels (MBO), where one barrel is equivalent to 42 United States gallons
2. Oil equivalent of natural gas – 6.1MMcf of natural gas equivalent to 1 barrel of oil
3. Proven reserves for Turner Bayou are expressed as proven undeveloped reserves, non producing

The information in this report has been compiled by the President of Petro Partners Inc. of Lafayette Louisiana, Kim Galjour, who has over 33 years experience in petroleum engineering. Mr. Galjour holds a Bachelor of Science Degree in Petroleum Engineering from Louisiana State University and has completed two years of graduate study in Business Administration at Nicholls State University. He is a member of Society of Petroleum Engineers, American Petroleum Institute, American Association of Petroleum Geologists and Lafayette Association of Petroleum Landmen. Mr Galjour consents to the inclusion of the estimated hydrocarbons in place in the form and context in which they appear. The resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resources Management System, 2007. Further information is available at spe.org. Mr. Galjour has been commissioned as an independent consultant to Pryme and does not have any interest in Pryme securities or in any of the projects in which Pryme is involved.

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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).