



27 February 2008

Raven Well Completion Process Update

The fracture stimulation in the Cotton Valley Price Sand (the deeper of two discovered zones) of the Grable 15-1 well in the Raven project is in the final stage of completion. Early flow tests measured production of 316,000 cubic feet per day of gas plus condensate and fracture treatment fluids. The well is currently shut in while work proceeds on connecting the well into the sales system and additional testing will continue thereafter.

Next week we will begin completion and fracture stimulation work of our primary target, the Cotton Valley "C sand". Ultimately the two zones will be comingled to maximize production rate and cash flow.

"The Price Sand was not productive in our inaugural Raven well, the Spinks Middlebrooks 11-1, so to be flowing natural gas from this zone in the Grable supports our original objectives in getting into this play", said Pryme's Managing Director Justin Pettett. "We now look forward to next week's completion in the primary pay zone, the "C" Sand, that had strong gas shows when drilling."

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. Approximately ten drilling locations have been identified in the project with the leasing of acreage continuing. Pryme has a 40% working interest (30% Net Revenue Interest) ownership in the project.

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The information in this report has been reviewed by the Advisory Director of Petroleum Engineering of Pryme Oil and Gas Ltd, Don Ellison B. Sc. (Petroleum Engineering) who has over 35 years experience in the fields of reservoir evaluation and performance, drilling, well completions and production engineering. He is a Registered Professional Engineer in the State of Texas in the United States and a member of the Society of Petroleum Engineers. Mr Ellison reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any 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, further information on which is available at www.spe.org.



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 a total of almost 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, John Dickinson (Non Executive Vice-Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).

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