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Additional Partner Secured for Four Rivers Project

Rate of Exploration to Increase

Pryme Oil and Gas Limited (ASX: PYM) (Pryme) is pleased to announce that it has entered into an agreement with Promesa Limited, a specialised oil and gas investment company applying for listing on the Australian Securities Exchange (Promesa), whereby Promesa will be able to farm into the Four Rivers Project. As a result of this agreement it is expected that additional funding will be brought to the project and the rate of drilling should be increased.

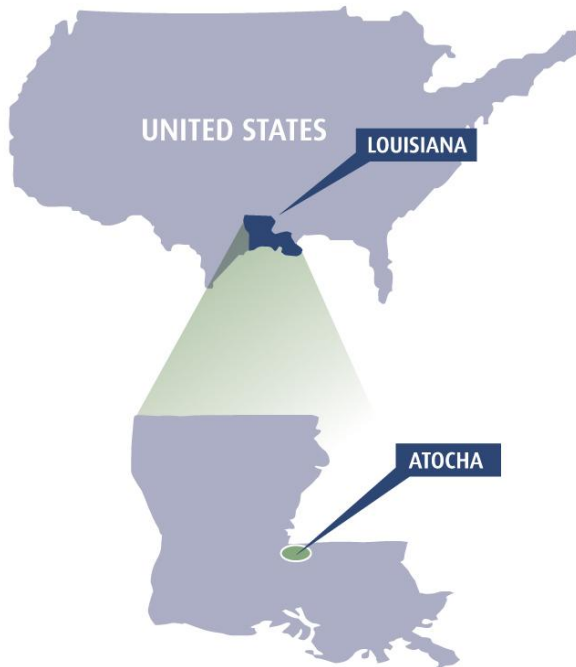
Pryme has a 25% working interest (18.75 - 20% Net Revenue Interest (NRI)) in the Four Rivers project and has secured the rights to an additional working interest of up to 25% of the project. These rights have been farmed out to Promesa.

Under the terms of the farm out Promesa will free carry Pryme for a 1/8th (12.5%) proportionate interest through to the casing point on the first well drilled in every prospect. All subsequent wells will be drilled on a “heads up” cost basis.

“With the introduction of Promesa we expect that drilling activity should increase as Promesa will bring an additional funding capacity to the project,” said Justin Pettett, Pryme’s Managing Director. “This will also reduce Pryme’s cost and risk on the first well to be drilled in each prospect and thereby increase the Company’s return on investment from the project.”

The Four Rivers project 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.





This project has as its centerpiece the same “Middle-Wilcox” oil horizons as the Company’s production in the LaSalle Parish Project. The executive directors of Pryme have experience throughout the Four Rivers Project area, having participated in the drilling of over 80 wells since 2001 with higher than industry average success rates.

The Middle-Wilcox contains sediments located in central Louisiana and western Mississippi. It is a proven source of large reserves of oil with some wells having sustained commercial production since the 1940’s. There have been over 160,000 commercially producing wells established in and around the Wilcox Basin since 1910. The area is a proven oil province with the exploitation of multiple accumulations of Wilcox oil having produced for decades. These so-called “stacked sandstones” are typically layered between 1,200 feet and 6,000 feet from the surface. Many of them have become saturated with oil that has migrated from deeper source rocks.

For further information please visit our website at www.prymeoilandgas.com or 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) and Ryan Messer (Executive Director).