



10 August 2009

Next Well Drilling in Four Rivers Project

Drilling of the next scheduled well in the Four Rivers Project, the Trisler No.1 in the Larto Lake Prospect, has commenced. The well will be drilled to a target depth of 5,400 feet. Drilling and logging are expected to be completed early next week.

The Trisler No.1 well is targeting stacked oil bearing zones within the Middle Wilcox Trend, a similar structure to that of the successful Missiana 18-11 No. 2 well which was drilled recently and is now undergoing completion. The exploration objective is to establish production from the A-1 and Minter sands within the Wilcox formation. These sands produced approximately 600,000 barrels of oil from 3 well bores in an adjacent reservoir over the period 1986 to 2003. The specific goal for the current well is to extend the field by intersecting improved structure and higher quality sands than were achieved in the adjacent reservoir with the expectation that this will result in improved production characteristics. Sub surface mapping has indicated a well location that should provide the best conditions to achieve this goal.

Bad weather has delayed completion of both the Beltzhoover well, which was re-perforated in mid-July, and Pryme's most recent discovery well, the Missiana 18-11 No. 2. Production rates for both of these wells will be reported when this work is complete.

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).