



22 September 2009

The Company Announcements Platform  
Australian Securities Exchange  
Exchange Centre  
20 Bond Street  
SYDNEY NSW 2000

**INVESTOR PRESENTATION UPDATE  
SEPTEMBER 2009**

Please find attached a copy of a presentation providing investors and analysts with an update on Pryme Oil and Gas Limited's activities.

A copy of this presentation is available at the ASX and can be viewed on the Company's website [www.prymeoilandgas.com](http://www.prymeoilandgas.com).

Regards,  
Swapna Keskar  
Company Secretary

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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).*



# Pryme Oil and Gas

Investor Presentation  
September 2009





ASX Code: PYM

Shares on issue	127.7 million
Post Rights Issue (with 100% take-up including shortfall)	178.8 million
Options \$0.40 (Un-listed) (Exercisable on or before 31 December 2009)	0.5 million
Market Cap	\$14m
Price Range 12 months	\$0.05-\$0.15
Current Price (as of 21 September 09)	\$0.11

### Major Shareholders

BPI Energy Pty Ltd	13.79%
JR Energy Pty Ltd	12.92%
Anglo Energy Company Inc.	3.47%
Directors/Management	12.56%
<b>Top 20 Hold</b>	<b>55.28%</b>

Cash on hand	\$2.8 million
Post Rights Issue (with 100% take-up including shortfall)	\$7.8 million
Debt	Nil





## Directors and Key People

George Lloyd

Justin Pettett

Ryan Messer

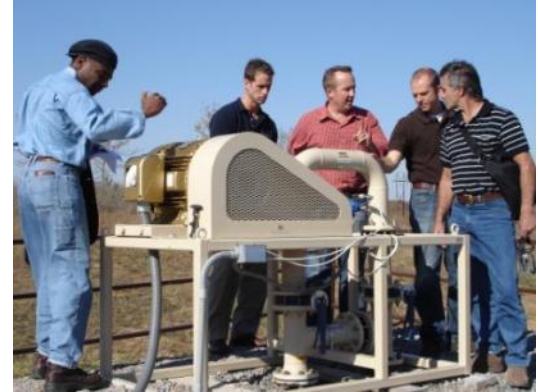
Ananda Kathiravelu

Chairman

Managing Director

Chief Operating Officer

Non-Executive Director





## Corporate History

Incorporated	October 2005
ASX Listing	April 2006
Projects on listing	LaSalle Parish Project Turner Bayou 3D Seismic



Reason For Listing	Ideal structure for investors to access lucrative US oil and gas projects Access capital to further projects and create shareholder wealth
Corporate Vision	Identify, explore and develop high return oil and gas projects from a platform of low risk, profitable and long life oil and gas income
12 Month Plan	Build incremental production, reserves and revenues Execute on “Company Maker” exploration projects Add additional high impact projects through network of professionals on the ground in the USA and abroad



## Share Price Movement Since Listing

The graph below indicates the share price movement of Pryme over the past 3 years and the volume of shares traded on the ASX throughout the year



*Develop reserves and build earnings*



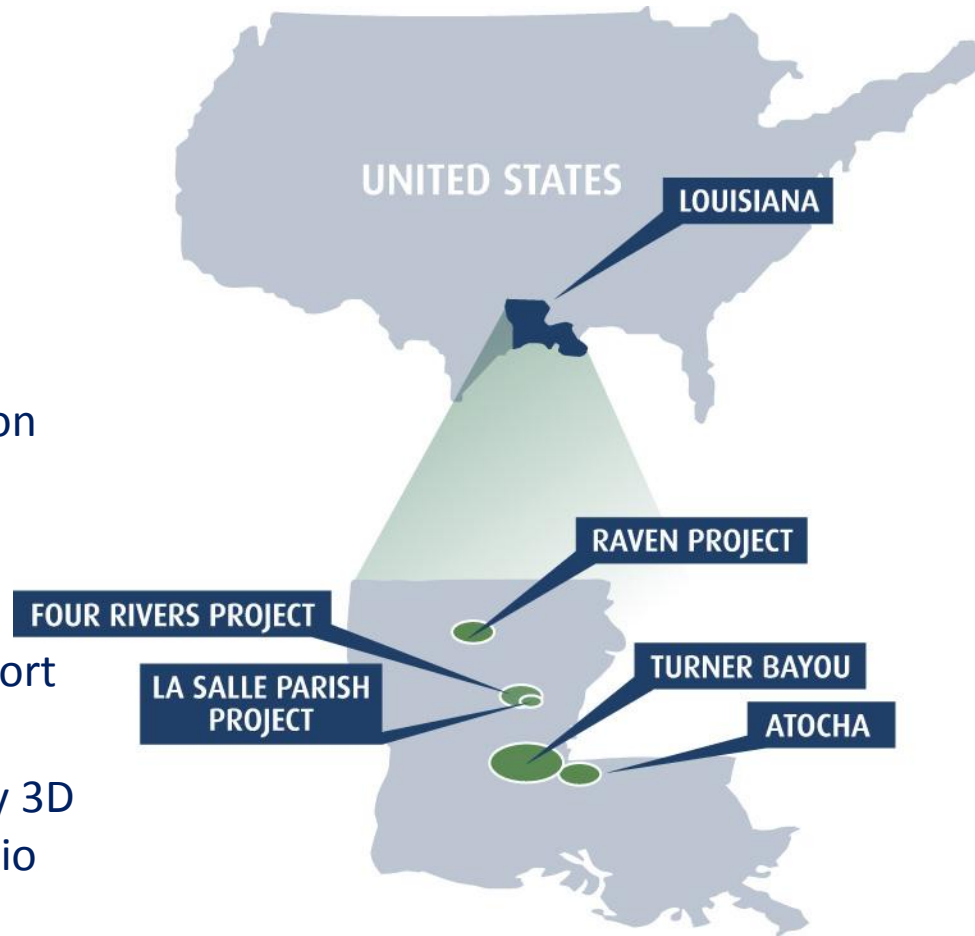
## Projects

### Producing

- **LaSalle Parish Project** – shallow/intermediate depth oil
- **Raven** – North Louisiana Cotton Valley engineering/development play
- **Four Rivers** - “stacked” oil zones throughout the Middle-Wilcox formation

### Exploration

- **Atocha** – Tuscaloosa Trend (3.5Tcfe) re-entry of existing well 5 miles north of Port Hudson field
- **Turner Bayou** – 52,000 acre proprietary 3D survey containing numerous shallow Frio anomalies and deeper objectives





## Producing Assets

**LaSalle Parish (LaSalle Parish, LA 5%-21.5% WI) -** Stable oil production of approximately 1,200 barrels per month net to Pryme. Project risk spread over 6 fields and 23 wells.

**Raven (Lincoln Parish, LA 40% WI 30% NRI) –** 3 wells in the Cotton Valley natural gas trend. Current monthly net production is 9,500Mcf and 190 barrels of condensate.

**Four Rivers (Central, LA 25% WI ~20% NRI) –** Continuous drilling program in the Middle Wilcox oil trend.

### Current Production (Net to Pryme)

LaSalle Parish Project	40Bbbls/day
Raven	320Mcf plus 7Bbbls/day
Four Rivers (5 wells only)	35Bbbls/day
<b>Total /Day</b>	<b>135 BOE/day</b>
<b>Total /Month</b>	<b>4,104 BOE/month</b>



*Solid Foundation of Assets*





## Four Rivers 25% Interest (18.75-20% NRI)

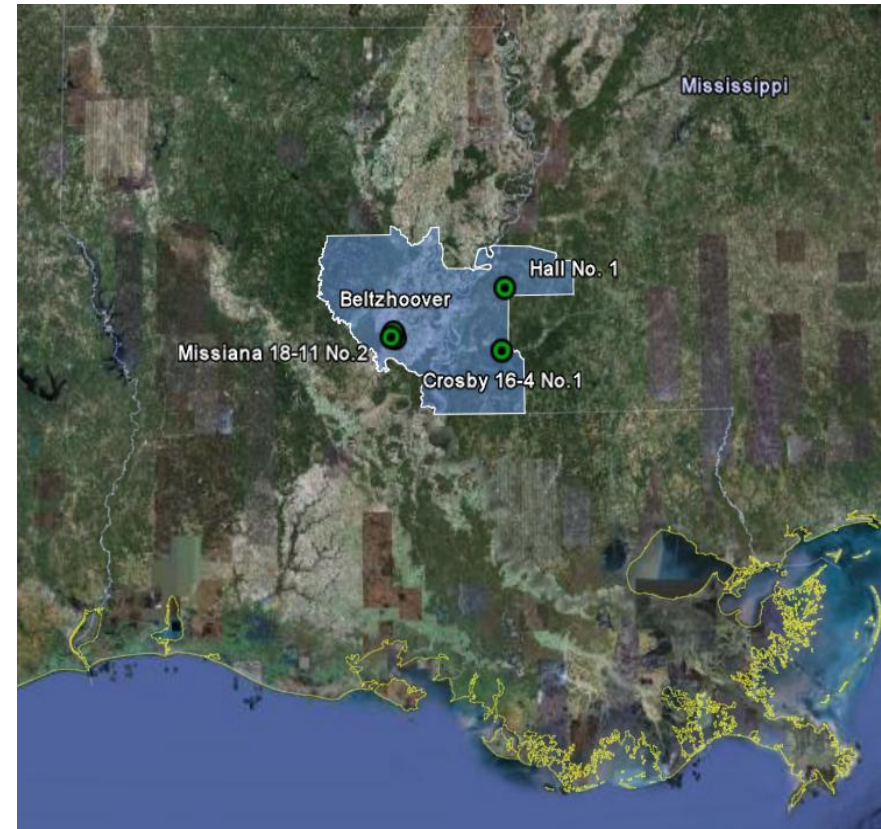
- Multiple “stacked” oil zones throughout the Middle-Wilcox formation
- Winn, Concordia and Catahoula Parishes in Louisiana, Adams and Jefferson Counties in Mississippi
- Management have participated in over 150 Middle Wilcox tests since 2001
  - Exploration success rate in excess of 50% during this time
- Primarily oil at depths ranging from approx. 4,000 to 7,000 feet
- Discoveries leading to production from five wells out of ten drilled
- Two wells per month throughout 2009

### FOUR RIVERS PROJECT





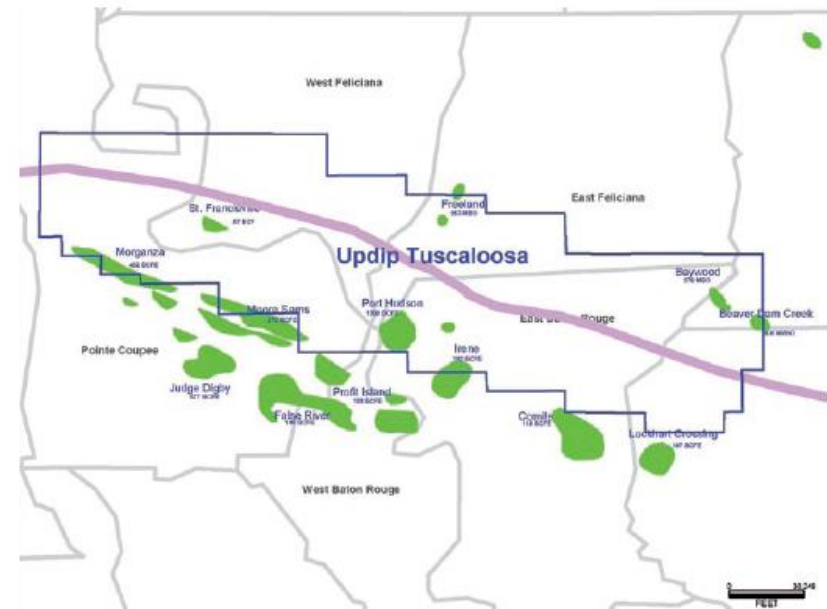
- Wilcox Trend contains sediments located in central Louisiana and western Mississippi
- Proven source of large reserves of oil with some wells having sustained commercial production since the 1940's
- By industry standards, drilling in the Wilcox Basin is relatively straightforward, low cost and without much mechanical risk
- Extensive infrastructure
- Reservoirs are mostly water-driven and solution gas driven
- Wells either flow naturally or are pumped at the surface by standard oilfield pumping units
- Producing life is usually in excess of fifteen years, many produce 25 to 50 years





## Atocha 100% Interest (Farm out)

- Up-dip to Port Hudson field in the heart of the prolific Tuscaloosa Trend
  - Developed by Amoco who later merged with BP
  - Produced 2.8Tcf and 120MMBbls to date
- 6,400 contiguous acres close to existing infrastructure
- Mud log indicates 125 feet of bypassed pay
- Based on technical analysis of the well and analogous production expected target size of up to 28 BCFE (re-entry only) in gas and oil
- Significant upside for Pryme





## Strategy

- Re-enter an existing well drilled by Shell Oil in 1980

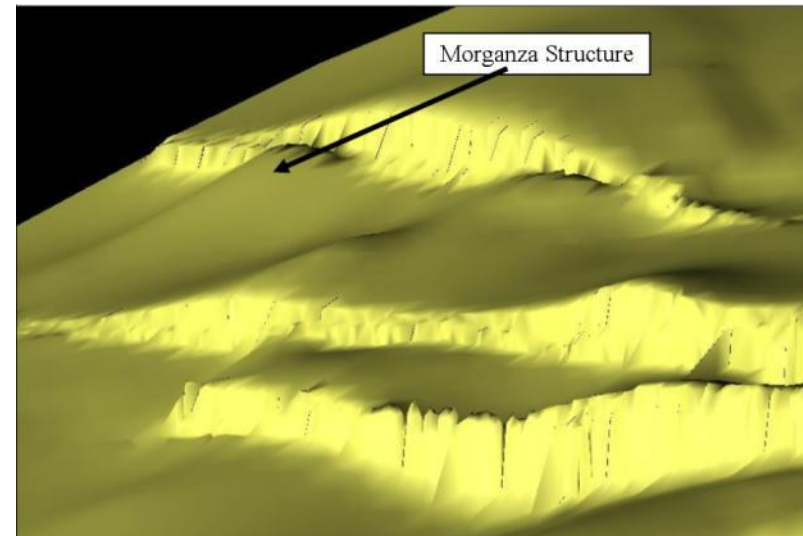
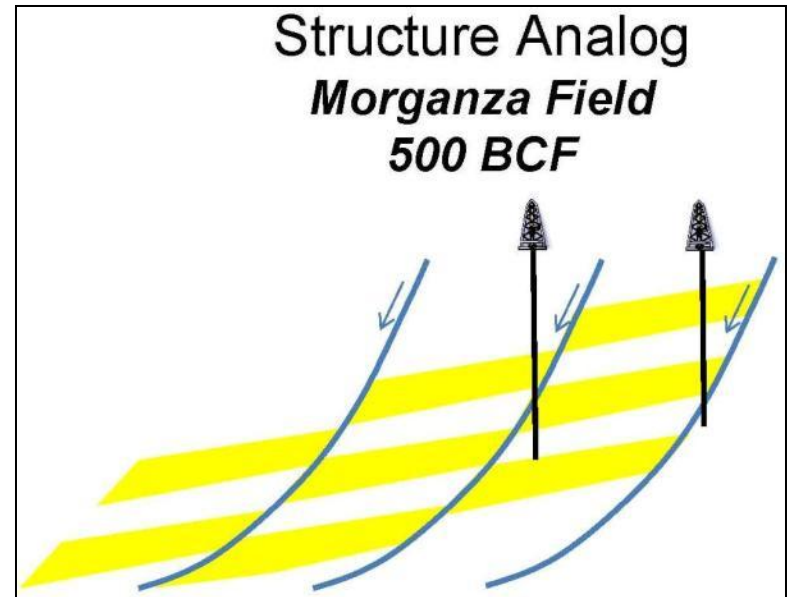
## Why

- Logging and testing indicate 125 feet of bypassed pay (Tuscaloosa Sand)
- 30 years of drilling and development knowledge and technological advances
- Well was drilled overbalanced - mud weights in the well were 2.5 ppg overbalanced when drilling through the target interval
- Detailed petrophysics reveal that these very course grain facies can produce down to 6% porosity
- Shell evaluated the well using a reservoir cutoff of 12% porosity in the late 70's before the reservoir aspects of the Tuscaloosa were well known
- Examination of the drill cuttings in the Shell well indicate the presence of very course grain facies just as in the analogous reservoir in Port Hudson
- Experts indicate this same well drilled today would be completed as a producing well



## Geographic Structure

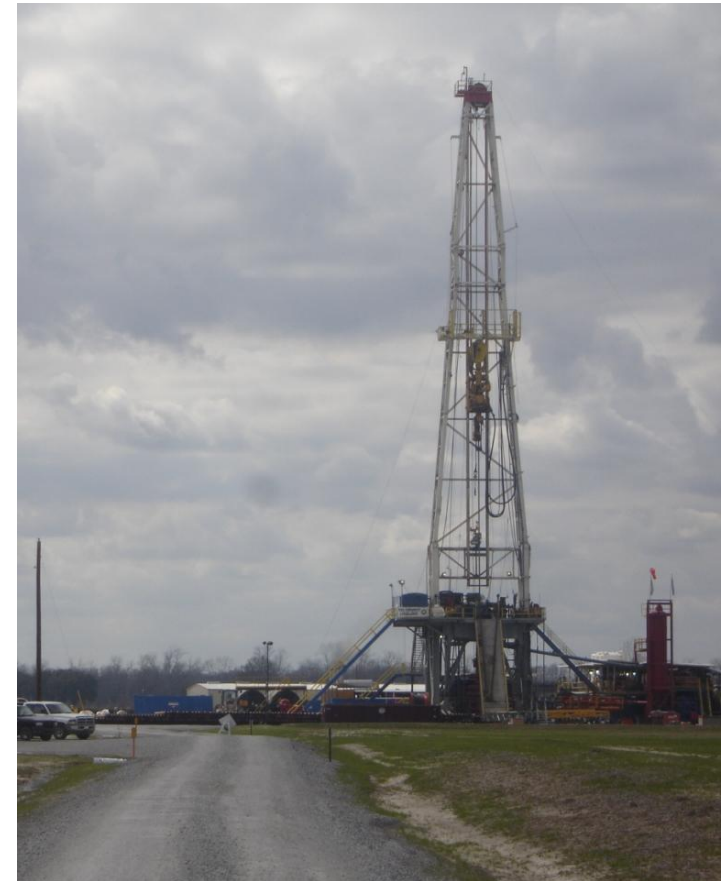
- Defined by a grid of reprocessed 2D seismic clearly defines location and extent
- Multiple down-to-the-basin faults forming three way closures
- Morganza Field presents an analogous structural type trap to the Atocha Prospect
- The northern-most fault block at Morganza Field exhibits 300-350 feet of gas column.





## Significant Exploration Target

- Six separate fault blocks defined by 2D seismic
- 6,400 acres using a combined net sand thickness of 250 feet was used (125 feet for each of the upper and lower sands), a 50% net-to-gross ratio
- Recovery factor of 750 MCFE per acre foot
- Utilizing these parameters an exploration target of 1.2 TCFE of recoverable gas equivalent is inferred for the entire Pryme acreage
- Up to 28 BCFE inferred target for the re-entry of the Shell Brian No.1 well



BP drilling the deep Tuscaloosa formation near Atocha



## Turner Bayou 52% Interest (39% NRI)

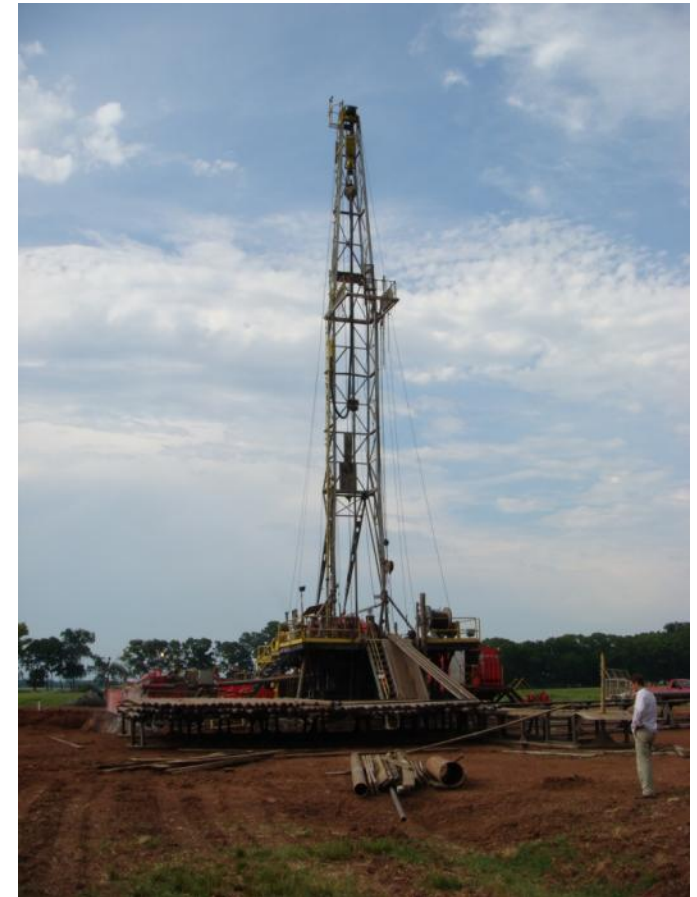
- Proprietary 3D survey containing numerous shallow Frio anomalies and deeper objectives
- 80 square miles (52,000 acres)
- Five Frio wells drilled, three cased and awaiting completion
- Another six Frio prospects being generated
- Currently in discussions with companies to farm-out deeper objectives, whilst retaining up to a 25% working interest
- Five Main Objectives
  - Miocene/Frio sands
  - Cockfield/Yegua sands
  - Sparta sands
  - Wilcox sands
  - Deep Austin Chalk





## Planned activity through to end of year

- Continue drilling 1-2 wells per month in Four Rivers
- Farm out and re-entry of Atocha Q4 2009
- Begin farm out of Turner Bayou deeper horizon targets and plan to drill Q2 2010
- Evaluate and, if warranted, progress the exploration of high impact oil and gas prospects located in proven basins in locations other than the United States of America







## Summary and Key Strengths

- Producing projects meet costs of production and all overhead costs
- With completion of the rights issue Pryme will have the funds to pursue “Company Maker” exploration targets
- All areas of interest are within well known geological oil and gas bearing structures
- US infrastructure allows plug-in approach to new finds (limited capital required for transport/refinery)
- Almost a decade of management experience in central Louisiana area

## Disclaimer and Forward Looking Statements

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