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Four Rivers Project: Two More Wells Brought Online

Crosby 16-4 No.2 - Stable Production

The Crosby 16-4 No.2 well in the Kelly Hill Prospect, which was drilled to a depth of 7,000 feet in December of 2009, was tied to production facilities earlier this month. The well is currently producing 30 barrels of oil per day at a stabilized rate. Pryme's Net Revenue Interest in the Crosby 16-4 No.2 well is 18.75% (25% Working Interest)

LP Minerals 2-3 No.1 - Flowing Oil

The first well drilled in 2010 in the Four Rivers Project, the LP Minerals No.1 in the Louisiana Pacific Prospect, which was drilled to a depth of 4,500 feet and logged in January, has now been tied into production facilities. The well is currently flowing at 50 barrels of oil per day.

"The LP Minerals well was put online 48 hours ago and production has gradually increased to the current rate of 50 barrels per day. We are encouraged by the positive production characteristic and optimistic about the well's ultimate oil recovery. The well is located more than 1000 feet from the closest producing well, the Jack Allen No 7," said Justin Pettett, Pryme's Managing Director.

Pryme's Net Revenue Interest in the LP Minerals No.1 well is 18.75% (25% Working Interest).

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 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).

The information in this announcement has been reviewed by James A. Stewart (a registered professional Petroleum Geologist in the State of Louisiana and Mississippi in the United States of America) who has over 20 years experience in petroleum geology, drilling, well completions and production operations. Mr Stewart reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place or flow rates in the form and context in which they appear. Any 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 spe.org.