



Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

25 January 2010

Dear Sir

**Pryme Oil and Gas Limited (Pryme) (ASX Code: PYM)
Initial Director's Interest Notice**

Please find attached Appendix 3X – Initial Director's Interest Notice - for Mr Greg Short. Pursuant to ASX Listing Rule 3.10.3, the Company wishes to advise that, as part of remuneration, subject to shareholder approval, Mr Greg Short is entitled to 500,000 Options (Options) to purchase one fully paid share in Pryme for each Option at an exercise price of \$0.15 each. These Options will expire on 20 January 2012 and can be exercised after 20 January 2011. Mr Greg Short is the only security holder with these Options.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Justin Pettett", is written over a light grey rectangular background.

Justin Pettett
Managing Director

For further information please contact:

Justin Pettett
Managing Director
Pryme Oil and Gas Limited
Telephone: +61 7 3371 1103
Email: justin@prymeoilandgas.com

Ryan Messer
Chief Operating Officer
Pryme Oil and Gas Limited
Telephone: +1 713 401 9806
Email: ryan@prymeoilandgas.com

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).

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

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| Name of entity: Pryme Oil and Gas Limited |
| ABN: 75 117 387 354 |

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|---------------------|
| Name of Director | Gregory Allen Short |
| Date of appointment | 20 January 2010 |

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

| |
|---|
| Number & class of securities |
|---|

+ See chapter 19 for defined terms.

Appendix 3X
Initial Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

| Name of holder & nature of interest | Number & class of Securities |
|---|---|
| <p>Note: Provide details of the circumstances giving rise to the relevant interest.</p> | |

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|--|---|
| Detail of contract | Grant of \$0.15 500,000 options expiring 20 January 2012, subject to shareholder approval |
| Nature of interest | \$0.15 500,000options |
| Name of registered holder (if issued securities) | Gregory Allen Short |
| No. and class of securities to which interest relates | \$0.15 options |

+ See chapter 19 for defined terms.