



21 January 2010

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

**INVESTOR PRESENTATION UPDATE
JANUARY 2010**

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.

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 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 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).



Pryme Oil and Gas

Project Update and Investor Presentation

January 2010





ASX Code: PYM

Shares on issue	178.8 million
Market Cap	\$14m
Price Range 12 months	\$0.05-\$0.15
Current Price	\$0.08
(as of 20 January 2010)	

Major Shareholders

Belmont Park Investments Pty Ltd	14.31%
Panorama Ridge Pty Ltd	14.04%
Dreampt Pty Ltd	2.35%
Bond Street Custodians Limited	2.04%
Mr Peter Daniels Adams	2.03%

Top 20 Hold	53.75%
Cash on hand	\$6.0 million
Debt	Nil





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
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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
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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
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Oil and Gas Reserves at 1 January 2010

- All reserves are net to Pryme and net of third party royalty interests.
- Oil and natural gas prices used in the estimation of reserves are based on NYMEX Futures Pricing as of December 30, 2009.

RESERVE CATEGORY	1P - Proved			2P - Probable			3P - Possible		
	Oil (MBO)	Gas (MMcf)	Total MBOE	Oil (MBO)	Gas (MMcf)	Total MBOE	Oil (MBO)	Gas (MMcf)	Total MBOE
LaSalle	129.5		129.5	3.4		3.4	25.6		25.6
Turner Bayou	332.7	998.8	496.5	2,345.3	6,321.4	3,381.6	480.3	697.6	594.7
Raven	24.2	1,350.1	245.5						
Atocha							404.7	3,853.7	1,036.5
Four Rivers	105.6		105.6				25.5		25.5
Catahoula Lake				309.5		309.5			
TOTALS	592.0	2,348.9	997.0	2,658.2	6,321.4	3,694.5	936.1	4,551.3	1,682.2

Value Proposition

At A\$0.08 per share (market cap of A\$14m) our proved plus probable oil reserves only (no natural gas included) are **valued at A\$4.30 per barrel** our proved plus probable oil and natural gas reserves are **valued at A\$3.00 per barrel** of oil equivalent.



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

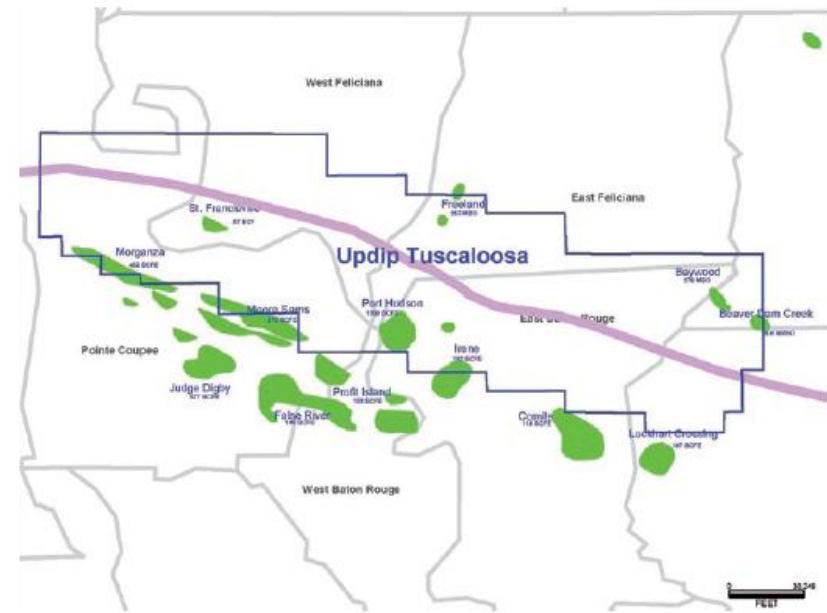
- **Atocha** – Tuscaloosa Trend re-entry of existing well 5 miles north of Port Hudson field
- **Turner Bayou** – 52,000 acre proprietary 3D survey containing numerous shallow Frio anomalies and deeper objectives
- **Catahoula Lake** – Targets multiple “stacked” oil zones throughout the, in a much less drilled environment.





Atocha 25% Working Interest

- Located in East Baton Rouge and East Feliciana Parishes in Louisiana
- 6,400 contiguous acres within the up-dip fairway of the Tuscaloosa Trend
- Trend discovered in 1975 by Chevron
 - produced over 2.8 Trillion Cubic Feet (TCF) of natural gas and 120 million barrels of condensate over the past 32 years
- Re-entry of HM Brian No.1 well, five miles north of BP's Port Hudson Field was unsuccessful
- Possible second location up-dip being generated
- Pryme is the operator of the project and has a 3% overriding royalty on production.





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. 15 wells drilled throughout 2009.



Current Production (Net to Pryme)

LaSalle Parish Project	40Bbbls/day
Raven	320Mcf plus 7Bbbls/day
Four Rivers	50Bbbls/day

Total /Day	150 BOE/day
Total /Month	4,500 BOE/month





2009 Economic Performance of Four Rivers Project

The following table illustrates the key economic metrics of the Four Rivers project to 31 December, 2009.

- Success rate is over 50% (producing wells to total wells drilled)
- Finding and developing cost to date, US\$16.32 per barrel of proven reserves. No PUD's included.

FOUR RIVERS PROJECT



	Number of wells drilled in 2009	P1- Proven Oil Reserves ¹ (bbl)	Estimated Average Daily Production 2010 ² (BOPD)	Finding and Development Cost ³ (US\$)	Finding & Development Cost per Barrel (US\$/bbl)	Future Operating Cost per Barrel ⁴ (US\$/bbl)
Summary						
Dry Holes	7			\$461,806		
Producing Wells	8	110,570	44	\$1,342,556	\$12.14	\$9.37
Total	15	110,570	44	\$1,804,362	\$16.32	\$9.37

Partnered with Proven explorer incremental growth



Catahoula Lake 25% Working Interest

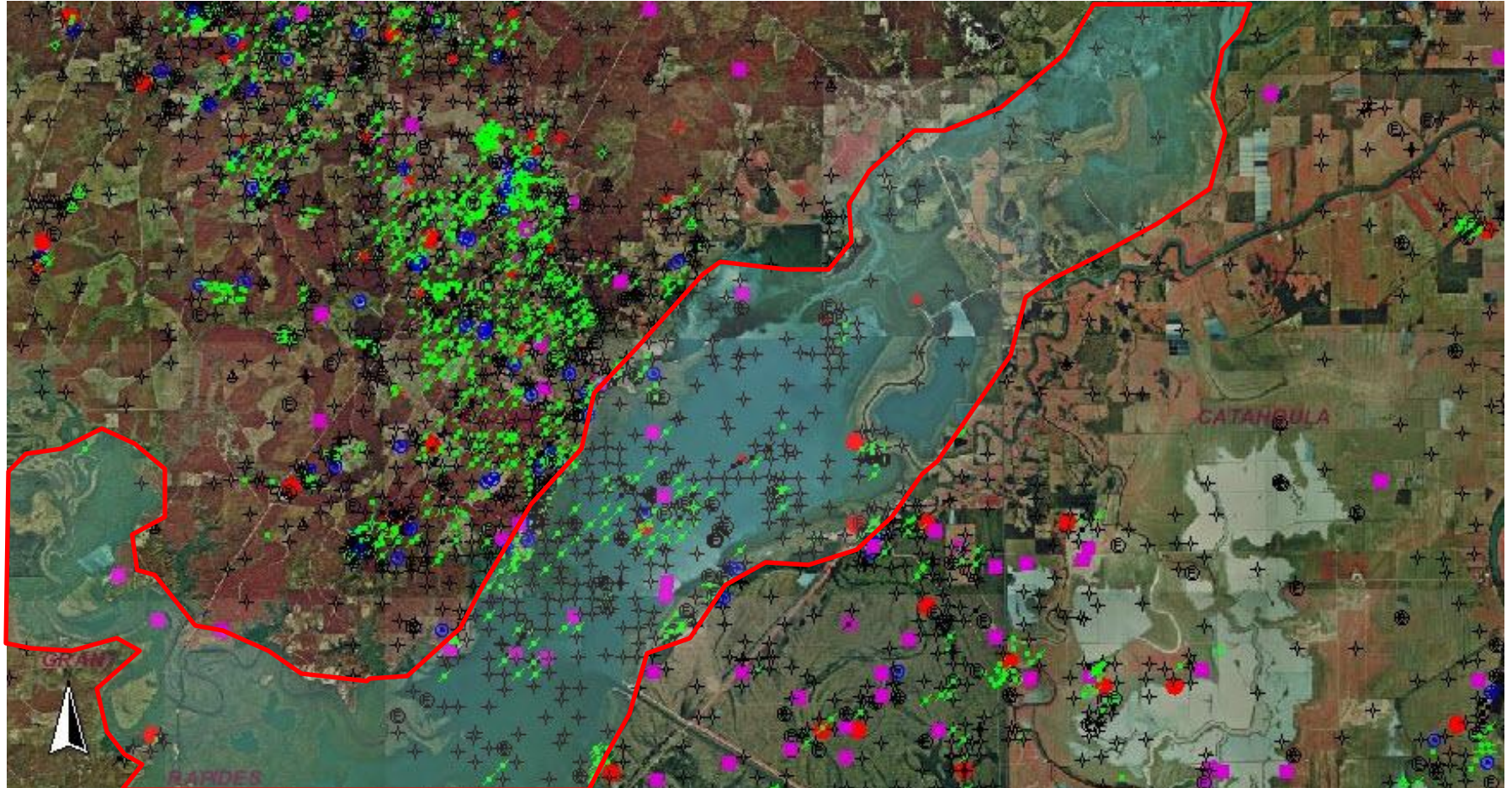
- An interest in 7,676 mineral acres within Catahoula Lake and equipment
 - drilling barge
 - service barges
 - crew boats and associated equipment
- Pryme secured a 2% overriding royalty interest in any production in which PLX participates throughout a 30,000 acre Area of Mutual Interest (AMI).
- Located on Catahoula Lake in LaSalle, Rapides, and Grant parishes, Louisiana.
- Multiple “stacked” oil zones throughout the Middle-Wilcox formation in a much less drilled environment
- Long production lives with low decline rates
- Ultimate oil recoveries from 50,000 through to 200,000 barrels for each successful well

Catahoula Lake Project





Catahoula Lake - On trend with major production





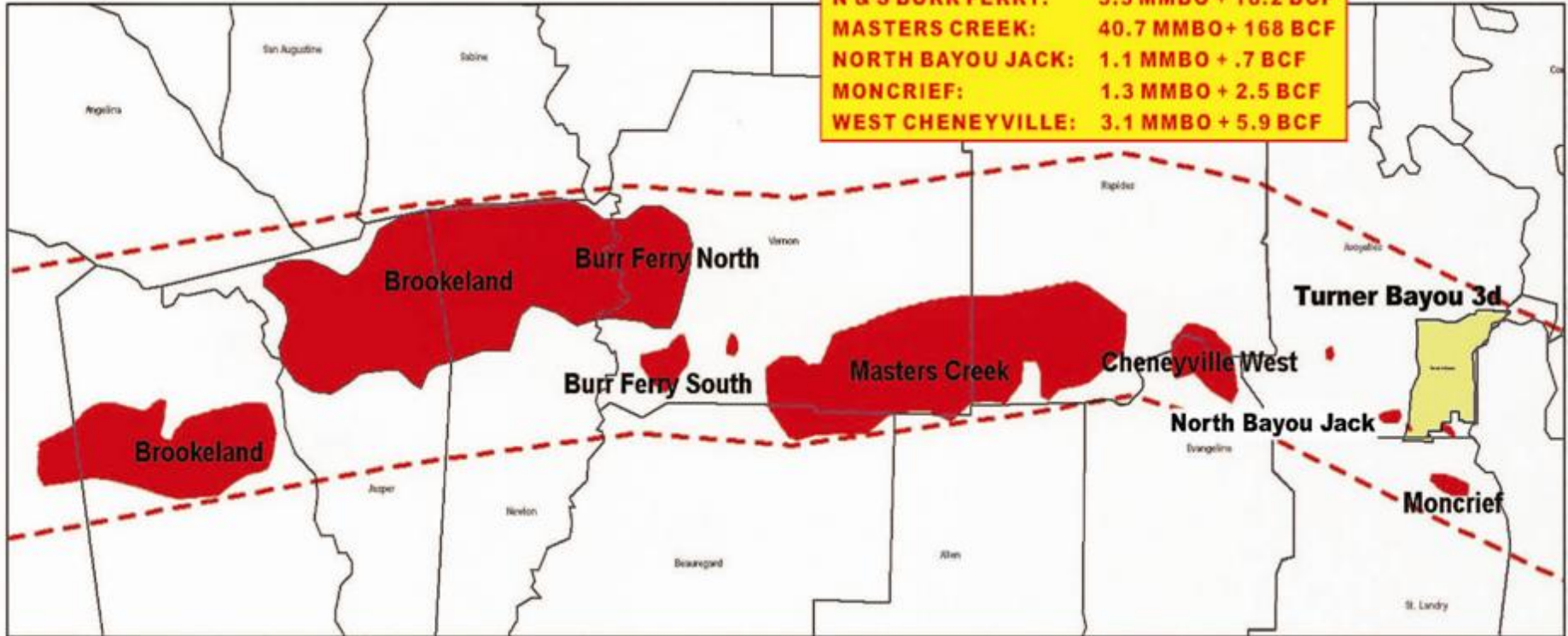
Turner Bayou 52% Working Interest (39% NRI)

- 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 40% working interest
- Five Main Objectives
 - Miocene/Frio sands
 - Cockfield/Yegua sands
 - Sparta sands
 - Wilcox sands
 - Deep Austin Chalk



Austin Chalk Trend Map

FIELD CUMULATIVE PRODUCTION	
N & S BURR FERRY:	3.3 MMBO + 18.2 BCF
MASTERS CREEK:	40.7 MMBO + 168 BCF
NORTH BAYOU JACK:	1.1 MMBO + .7 BCF
MONCRIEF:	1.3 MMBO + 2.5 BCF
WEST CHENEYVILLE:	3.1 MMBO + 5.9 BCF



Texas/Louisiana State Line

TURNER BAYOU
 AVOYELLES PARISH, LOUISIANA
 Regional Chalk Production
 & Project Location



Planned activity through 2010

- Continue drilling 1-2 wells per month in Four Rivers
- Drilling approx. 12 wells in Catahoula Lake
- Generation of a possible second drilling location in Atocha Q3-Q4
- 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





Pryme Opportunity

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Current oil price US\$78 per barrel

Disclaimer and Forward Looking Statements

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