



12 September 2007

## Results on first well in Saline Point Project

Pryme Oil and Gas Limited (ASX: PYM / OTC: POGLY) would like to announce that the first well (State Lease 19234 No.1) in the Saline Point oil exploration project was logged showing oil in three of the primary objective Middle-Wilcox sand zones. Subsequent core analysis determined that these zones do not have commercial potential, so the well will be plugged. Consequently, the geology is being re-mapped for further definition, and later decisions, relative to this part of the project.

The second of the two tests at Saline Point will be drilled sometime within the next 30 days, subject to weather. It will have as its objective a different Middle-Wilcox sand sequence.

"Pryme's financial exposure in this project is low as opposed to the potential upside through an oil discovery. We are eager to begin work on the second test in this project and are hopeful of making a new oil find," said Justin Pettett Pryme's Managing Director.

Pryme has a 26.96% working interest (20.22% net revenue interest) in this project. Typical drilling and completion costs rateable to Pryme's interest for this depth well in LaSalle Parish is US\$134,800 per well, which includes production facilities.

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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 a total of almost 50 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 John Dickinson (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director), Ananda Kathiravelu (Non Executive Director) and Philip Judge (Non Executive Director).*