



25 September 2007

Pryme Project Summary and Progress Update

Pryme Oil and Gas Limited (ASX: PYM / OTC: POGLY) would like to announce a detailed summary and progress update on each of its current projects located throughout Louisiana

Our planned, systematic approach to project selection and management is about to be tested at “center stage”. Pryme has a diverse drilling program that should steer the company through exponential growth. The Directors are strictly adhering to their methodology of building Pryme on the basis of selecting conventional oil and gas objectives and building earnings through production and reserves in the ground with the drill bit. This strategy will be measured through the company’s future quarterly cash flow reports. Below is a drilling program that is in place to achieve these objectives.

Project Name	2007		2008			
	Q3	Q4	Q1	Q2	Q3	Q4
Turner Bayou	3D shoot results	Drill 5 Frio wells	Production			
			Drill 5 Frio wells	Production		
				Drill 5 Frio wells	Production	
					Drill Wilcox well	Production
						Drill 5 Frio wells
Raven	Drill CV well	Production				
		Drill CV well	Production			
			Drill CV well	Production		
				Drill CV well	Production	
					Drill CV well	Production
Saline Point*	Drill Wilcox well					
					Drill Wilcox well	
Kestrel^		Farm out project	Hackberry well drilled			
Condor^			Farm out project	Tuscaloosa well drilled		
Atocha^		Farm out project		Tuscaloosa well		

*This project has a 3 month window each year when the lake is drained to drill with a land rig.

^Assumes these projects are farmed out as shown in the drilling program. The proposed farm out agreements state that a well must be drilled within 6 months of the project being farmed out.

LaSalle Parish Project (8% - 21.5% Interest)

This project continues to be a solid producer for Pryme producing on average 1,600 barrels per month net to Pryme’s interest. Several of the wells are currently having their down-hole pump assemblies replaced



and/or rebuilt to enhance production and output from these fields. With the recent successes in the Routh Point field including the successful completion of the Coleman No.8, two additional drilling locations have been identified that are expected to be drilled in the next 60-90 days subject to weather conditions.

Revenues from this project are expected to increase with the strategy for this project being to maintain and where possible increase oil production to take advantage of US\$80 per barrel oil prices.

Turner Bayou 3D Seismic Project (52% Interest)

We are pleased to advise that the 3-D shoot has been completed and our geologists and geophysicists have been reviewing the data. Whilst this project is behind schedule, due primarily to weather delays we are pleased to report that it has been worth the wait with positive results being identified already and the shoot exceeded our expectations.

The data is of a very high quality, that is to be expected from 2007-vintage seismic as opposed to data shooting and acquisition methods used in the more recent past. From an initial reconnaissance of the information we have been able to identify more than thirty shallow anomalies or "bright spots" as they are commonly known in the industry. A commensurate number of deeper targets seem to have exceeded our expectations. Drilling of the shallower objectives in this area exceeds 80% success rate using 3-D seismic technology. Flow rates (post initial flush production) are usually in a range of 200Mcf - 500Mcf per day per well and have a reserve value from 0.5 to 1Bcf each. It is expected that the number of these seismic anomalies will increase through further evaluation of the data and prospects will be high graded in preparation to drill.

A pipeline right-of-way is currently being planned and negotiated and a drilling rig contractor is being scheduled to begin the drilling program sometime toward the end of October. The first group of ten wells will be drilled in pods of 3 to 5 back-to-back and through to the end of Q1 of 2008 as illustrated in the above drilling program timeline.

Pryme's strategy is to develop the shallower Frio/Miocene targets initially to increase earnings and develop its infrastructure and then to revisit the deeper horizons to 16,000 feet. Pryme's working interest and potential net risked valuations for this project can be found in the latest company presentation dated 25 September, 2007, which is available from our website.

Raven Project (40% Interest)

The first well in the Raven Project, the Spinks-Middlebrooks #11-1, reached planned total depth of 10,830 feet and was successfully logged. Several intervals were identified that correlate with the gas shows during the drilling phase and appear to aggregate a sufficient amount of total pay in at least three zones.

A natural gas discharge pipeline has been installed and the perforating and fracturing of the first two zones is almost completed with flow tests and detailed initial results to be reported later this week and through next week. This is the first of a minimum ten well program to be drilled in this project. The next well in this project is scheduled to be drilled in November, and then one well drilled every quarter as per the above drilling program.



Saline Point Project (26.96% Interest)

The first well in the Saline Point oil exploration project was logged showing oil in three of the primary objective Middle-Wilcox sand zones and through further core analysis it was determined that these zones do not have commercial potential. The geology is currently 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 is expected to be drilled sometime within the next 30 days, although weather conditions have been very wet and this drill date may have to be postponed to a later date.

Atocha Project (100% Interest)

In excess of 5,000 acres have been leased in this project to date. We are currently in final discussions with a company that wishes to farm in on the Atocha project. The farm-out terms for the size and cost of the project include reimbursement of all costs, a cash fee and a carried working interest throughout the area of mutual interest. Further details of Atocha and the potential value for Pryme will be announced once the transaction has been consummated.

Kestrel Project (Farm out*)

Kestrel has been fully leased and is currently being marketed to third parties. Interest in the project has been expressed by several mid-sized oil and gas companies reviewing the data for a second time with their technical teams. Depending upon the current processing of Kestrel's seismic data in defining the "AVO" attribute, we expect that the degree of interest in Kestrel will be enhanced.

Condor Project (Farm out*)

The project is currently being reviewed by a select group of deep Tuscaloosa formation operators.

Further details of Pryme's projects can be found in the June 2007 half yearly report and the latest company presentation dated 25 September 2007.

** Proposed farm out terms net to Pryme is 1%-2.5% override and 8% carried interest. These are yet to be finalised.*

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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).