



2 October 2007

## Raven Completion Results

Since the last report of Wednesday 23 July 2007 on the Spinks Middlebrooks #11-1 well, we are pleased to report that the operator has successfully perforated and hydraulically fractured all three productive zones from the electric log and is currently flowing natural gas into the sales line.

The well flowed natural gas from the three zones collectively at a rate of 1.2mmcf per day (480mcf per day net to Pryme) with the primary third zone currently flowing close to 1mmcf per day and increasing as the load water from the fracture stimulation is produced off the formation. The three gas zones have a gross sand section of 329 feet with 27 net feet that is productive. The closest analog to our third (primary) zone has produced 2.7Bcf from this interval from a two foot section. We have approximately four feet of interval, by comparison.

"This is an excellent result for the company as we are producing natural gas directly into the market. Our pre-planning and time spent in laying our discharge line and testing this well effectively has definitely been worth the wait. At calculated flow rates, revenues net to Pryme meet our target of US\$70,000 per month, adjusted for US\$6.50/MMBtu gas, royalty and severance tax. This is the first result in Pryme's strategy of increasing earnings through the drill bit with first cash receipts expected from gas sales in December. Investors will be able to gauge this success through an increase of revenues in our quarterly cash flow reports starting in calendar Q1 in 2008," said Justin Pettett, Pryme's Managing Director.

The next well in this project is scheduled to be drilled in November and has been re-positioned more proximal to the thicker part of the sand fairway to the Spinks Middlebrooks #11-1, which we hope will result in an even better outcome. Site clearing and location preparation is due to begin early next week and we expect to drill one well every quarter through 2009. When three wells have been drilled, we will be in a position to have a reservoir study completed and PUD's (proved undeveloped reserves) booked net to Pryme, along with Proved, Producing reserves.

In addition, investors can expect an announcement on the drilling program for Turner Bayou shortly as the first five prospects in this project are being finalized in preparation to be drilled. It is expected that Turner Bayou will be developed in unison with Raven per the drilling timeline outlined in our latest operational update to the market. The only differences being that a greater number of wells will be drilled at Turner initially because the targets are shallower and thus take less time to reach.

*Perforated means - holes ranging from 1-2 inches in diameter shot through the steel casing to give a clean connection with the formation.*

*Mmcf means - One Million Cubic Feet*

For further information please contact:

**Justin Pettett**  
**Managing Director**  
**Pryme Oil and Gas Limited**

**Ryan Messer**  
**President**  
**Pryme Oil and Gas Inc**



Telephone: +61 7 3371 1103

Email: [justin@prymeoilandgas.com](mailto:justin@prymeoilandgas.com)

Telephone: +1 832 487 8607

Email: [ryan@prymeoilandgas.com](mailto:ryan@prymeoilandgas.com)

*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).*

ABN 75 117 387 354

Tel: +61 7 3371 1103 Fax: +61 7 3371 1105

Level 7 320 Adelaide Street GPO Box 111 Brisbane Queensland 4001

BRISBANE - HOUSTON