



5 November 2007

## Drilling begins on second well in Saline Point Project

Drilling of the second test well (State Lease 19234 No.2) in the Saline Point oil exploration project began on the weekend. Drilling is currently at 2,000 feet with the target depth of 5,100 feet expected to be reached late this week.

The initial test well (State Lease 19234 No.1) in this oil exploration project was drilled in early September 2007 and was logged showing oil in three of the primary objective Middle-Wilcox sands. Through further core analysis it was determined that these sands did not have commercial potential in that wellbore. The geology was re-mapped for further definition and a second location derived targeting oil shows encountered in the No.1 well.

This project is located in the southern portion of Catahoula Lake in LaSalle Parish, Louisiana. The project will target in excess of 2 million barrels of oil from the upper sands of the Wilcox formation and is located near Catahoula Lake and South Catahoula Lake fields which are prolific oil producing regions.

Pryme has a 26.96% working interest (20.22% net revenue interest) in this project.

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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).*