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Drilling Underway in Four Rivers Project

Drilling of the next scheduled well in the Four Rivers Project, the Missiana 18-11 No. 2 in the Honey Brake Lake Prospect, has commenced. The well will be drilled to a target depth of 7,000 feet. Drilling and logging are expected to be completed early next week.

The Missiana 18-11 No. 2 well is targeting stacked oil bearing zones within the Middle Wilcox Trend. The exploration objective is to establish production from a channel sand reservoir in the Minter Sand. The reservoir was discovered in 1984 by a well which intersected 35 feet of oil-bearing sand. The discovery well has produced 137,000 barrels of oil to date and is currently producing 6 barrels per day. The specific goal for the current well is to intersect better quality sand in the reservoir and achieve higher production than has been demonstrated by the discovery well.

"The Four Rivers project is progressing well with a good success rate and one to two wells drilled each month," said Managing Director Justin Pettett.

"Work is also continuing on the Beltzhoover well which was re-perforated late last week and is currently being equipped to produce via a pumping unit. Revised production rates will be reported when this work is complete."

Project Description

Pryme has a 25% Working Interest (18.75 - 20% Net Revenue Interest (NRI)) in the Four Rivers project which extends from Winn, Concordia and Catahoula Parishes in Louisiana to Adams, Jefferson and Wilkinson Counties in Mississippi. The project is targeting multiple "stacked" oil zones throughout the Middle-Wilcox formation and, to a lesser extent, shallow Frio natural gas zones, at depths ranging from approximately 4,000 to 7,000 feet. Wells drilled in the Middle-Wilcox exhibit long production lives with low decline rates after the initial flush oil is produced and relatively steady production is established. They are relatively inexpensive to drill and typically have low operating and on-going maintenance costs.

For further information please contact:

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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 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), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).