



17 December 2009

Atocha Project - HM Brian No.1 Update

Further analysis of the results from the recent re-entry of the HM Brian No.1 well has identified a second Tuscaloosa sand interval which is slightly shallower than the recently tested interval. The partners have agreed to perforate and test this interval while the re-entry rig is still on site. Testing of this interval, which will be relatively inexpensive, will commence this weekend.

"The re-entry of the HM Brian No.1 should remain under budget through the testing of this second zone of interest," said Ryan Messer, Pryme's Chief Operating Officer. "This zone produces commercially from wells which are on trend with and have similar log characteristics to the HM Brian No.1, therefore we remain optimistic."

The process of perforating and testing this interval may take as long as a week following which a further update will be released.

Atocha Project Description

The Atocha Project, located in East Baton Rouge and East Feliciana Parishes in Louisiana, covers 6,400 contiguous acres within the up-dip fairway of the Tuscaloosa Trend. The Tuscaloosa Trend was discovered in 1975 by Chevron. It has produced over 2.8 Trillion Cubic Feet (TCF) of natural gas and 120 million barrels of condensate over the past 32 years.

Atocha is located five miles north of BP's Port Hudson Field which is the best producing field in the trend and contains the HM Brian No.1 well which was drilled by Shell Oil in 1980 and cased to a depth of approximately 17,700 feet. Pryme is the operator of the project and has a 25% working interest and a 3% overriding royalty on production.

Working Interest Partners

Pryme Oil and Gas Limited (ASX: PYM)	25% (Operator)
Future Corporation Australia Limited (ASX: FUT)	50%
Promesa Limited (ASX: PRA)	25%

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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the Gulf States of the U.S. The company has oil and gas 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) and Ryan Messer (Executive Director).

The information in this announcement has been reviewed by James A. Stewart (a registered professional Petroleum Geologist in the State of Louisiana and Mississippi in the United States of America) who has over 20 years experience in petroleum geology, drilling, well completions and production operations. Mr Stewart reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbons in place or flow rates in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at spe.org.