



2 March 2010

The Company Announcements Platform
Australian Securities Exchange
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20 Bond Street
SYDNEY NSW 2000

First Oil Production from Catahoula Lake

Please find enclosed a copy of an announcement from Pryme Lake Exploration LLC (PLX) regarding its project located on Catahoula Lake, Louisiana. PLX is a Pryme Oil and Gas, Future Corporation Australia Company.

A copy of this announcement is available at the ASX and can be viewed on the Company's website www.prymeoilandgas.com.

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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 board of directors and management team has over 100 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) and Greg Short (Non Executive Director).

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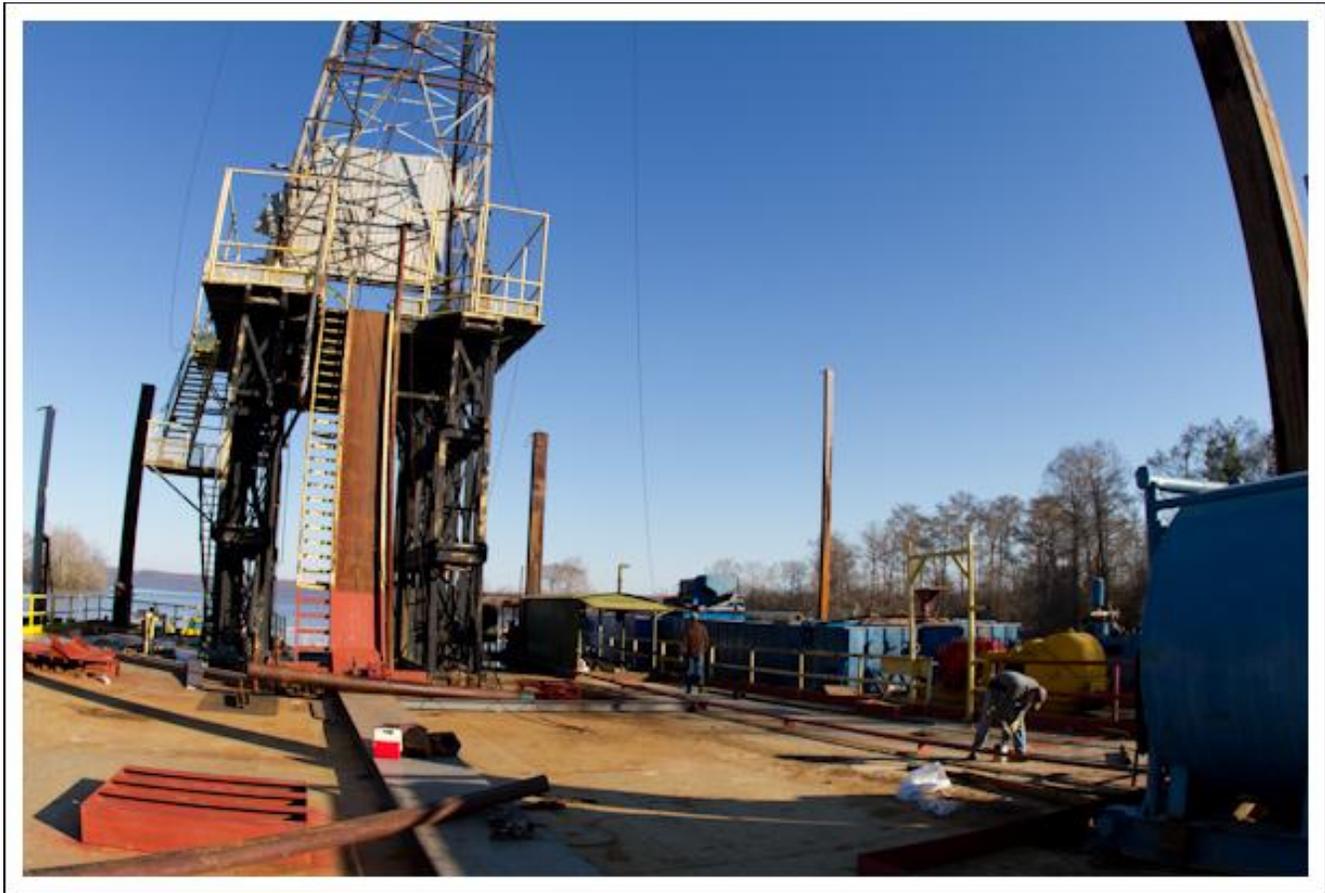
The first well in the Catahoula Lake Project, the State Lease No. 19857 well in the Hawg Pen Prospect, which was drilled to a depth of 5,200 feet and logged in January, has now been tied into production facilities. The well produced at an initial rate of 30 barrels of oil per day.

Work is continuing on the refurbishment of the Catahoula Lake barge rig although adverse weather conditions in the region, including rare snow storms, have caused some delays. The refurbishment is scheduled to be completed in approximately four weeks and drilling is planned to commence before the end of March.

Up to twelve Catahoula Lake project wells are planned to be drilled from either the barge rig or from a land-based rig in 2010.



PLX Barge Rig at the Catahoula Lake Project



Refurbishment work being carried out on the PLX (50% owned) barge rig platform

Pryme Lake Exploration LLC (PLX) Net Revenue Interest (NRI) in the State Lease No.19857 well is 36.5% (50% Working Interest).

Project Description

Pryme Oil and Gas Limited (ASX:PYM) and Future Corporation Australia Limited (ASX:FUT) each own a 50% ownership interest in PLX which in turn owns a 50% Working Interest (36.5% NRI) in 7,676 mineral acres within Catahoula Lake and its surrounds and a 50% ownership interest in a drilling barge, service barges, crew boats and associated equipment which are required to drill and operate on Catahoula Lake. The project is located on Catahoula Lake in LaSalle, Rapides, and Grant parishes, Louisiana and is targeting multiple “stacked” oil zones throughout the Middle-Wilcox formation at depths ranging from 4,500 to 5,500 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. Ultimate oil recoveries are expected to range from 50,000 through to 200,000 barrels drilled from land locations and in excess of 250,000 drilled from the lake for each successful well.



Ownership of the only equipment available to drill and service wells on Catahoula Lake provides PLX with a significant competitive advantage over other explorers throughout the entire 30,000 acre area of the lake, almost all of which is prospective.

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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.

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CATAHOULA LAKE - LOUISIANA