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Four Rivers Project: Crosby 31-10 No.1 Well Commences

Drilling of the next well in the Four Rivers Project, the Crosby 31-10 No.1 well in the Saukum Field Prospect, commenced over the Easter weekend in the United States. The well will be drilled to a depth of 7,800 feet. Drilling and logging are expected to be completed early next week.

The Crosby 31-10 No.1 is the first offset well to the Crosby 31-11 No.1 which was drilled and completed in November 2009 and produces at a steady rate of 65 barrels of oil per day. The objectives in drilling this well are to intersect the same oil bearing Middle Wilcox sands as the Crosby 31-11 No.1, while gaining structure and expanding the extent of the known oil reservoir, and to test deeper sands in the region.

“Our strategy in Four Rivers is to drill moderate risk oil prospects with potential for rapid conversion to production and revenue,” said Justin Pettett, Pryme’s Managing Director. “The focus for the Four Rivers project in 2010 will be to develop and expand the reservoirs discovered in the 2009 drilling season. We expect to drill fewer Four Rivers wells than in 2009. Pryme’s main Middle Wilcox exploration efforts for 2010 will be concentrated on the Catahoula Lake project where we will be targeting the same Wilcox age objectives in a much less densely drilled environment.”

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:

Justin Pettett
Managing Director
Pryme Oil and Gas Limited
Telephone: +61 7 3371 1103
Email: justin@prymeoilandgas.com

Ryan Messer
Chief Operating Officer
Pryme Oil and Gas Limited
Telephone: +1 713 401 9806
Email: ryan@prymeoilandgas.com

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).



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.