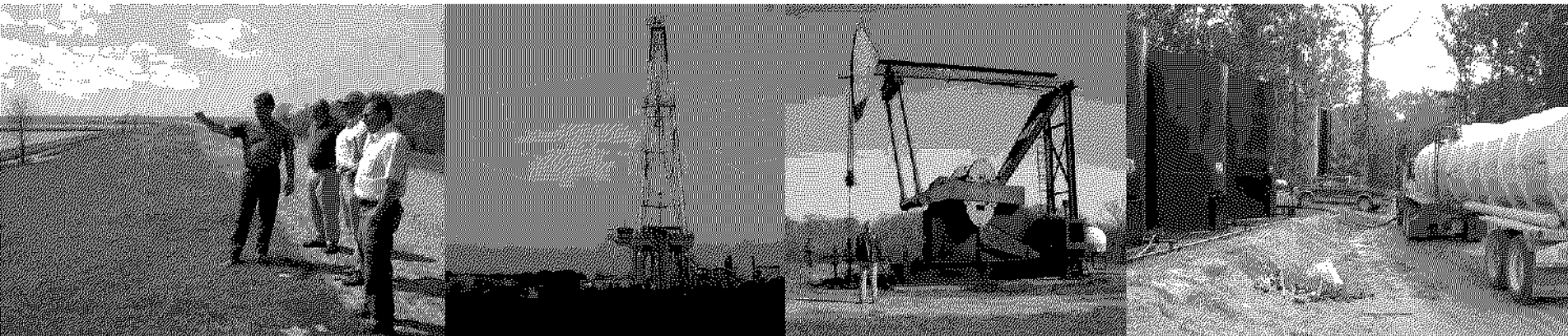
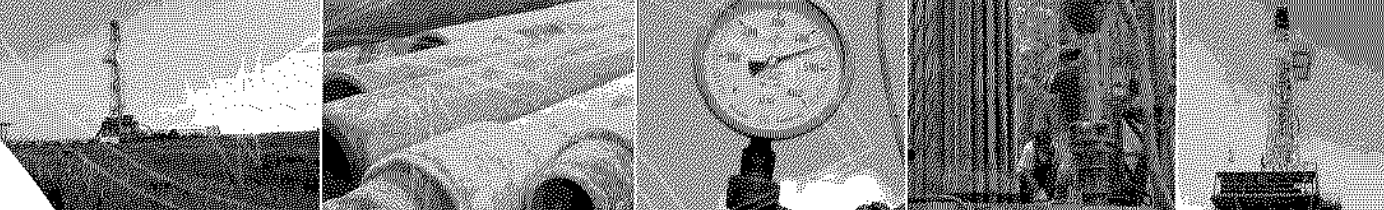


Pryme Oil and Gas

Building a World-Class Independent Oil & Gas Company

Progress Report: December 2006





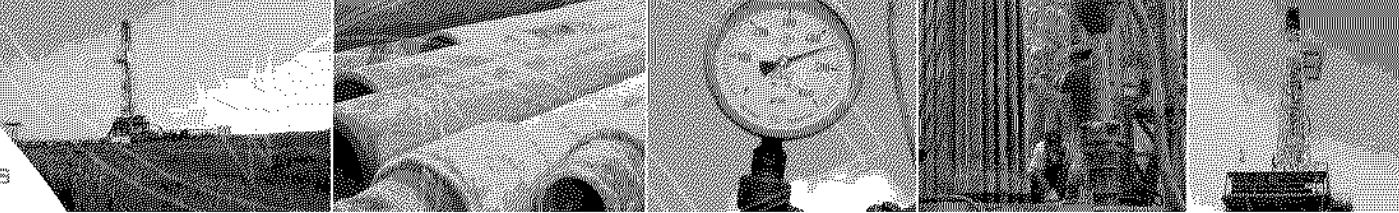
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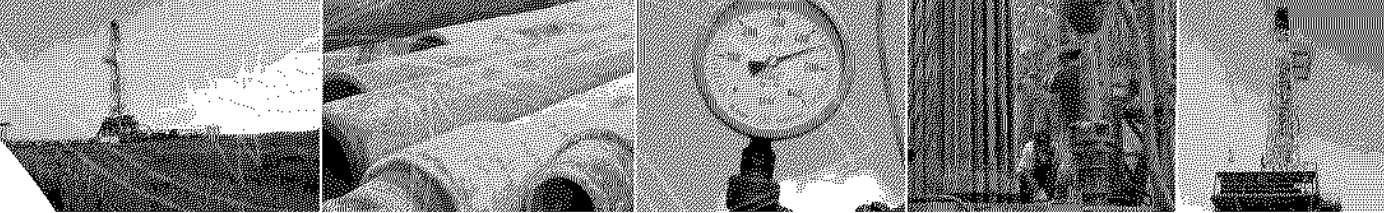
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A Small Cap Growth Opportunity

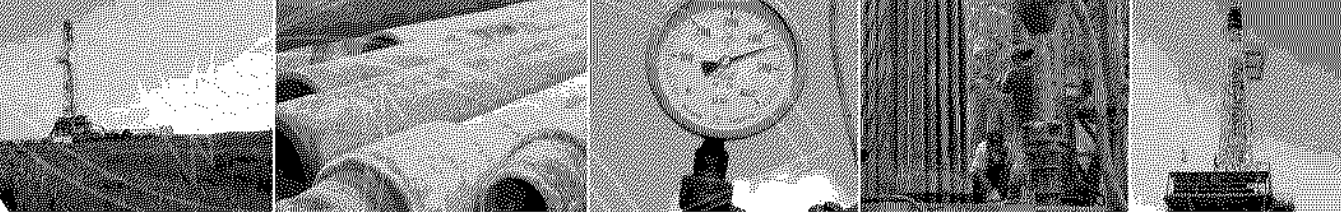
ASX Code:	PYM
OTCBB:	POGLY
Shares outstanding (Diluted)	111,091,865
Market Cap (Diluted)	\$66.6 million
Price Range (4/21/06-present)	\$0.23-\$1.15
Recent Price (12 December 2006)	\$0.64





A Strong Platform for Growth

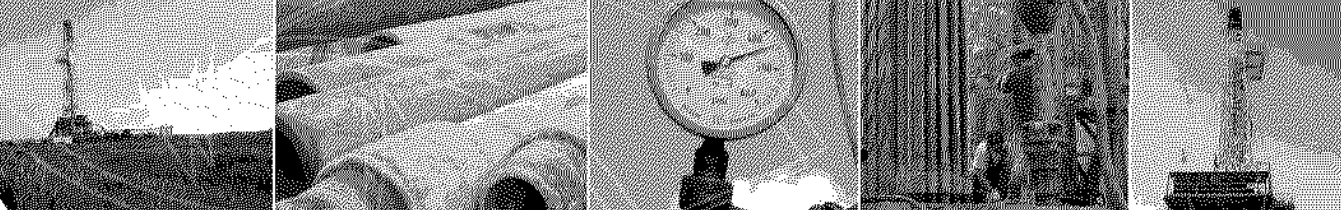
- Current production (net to Pryme)
 - 1,407 Bbls (October 06)
- Key Near-Term Development Opportunities
 - LaSalle Parish Project
 - Turner Bayou 3D Project
 - Wave Exploration JV
 - Raven
 - Kestrel
 - Condor



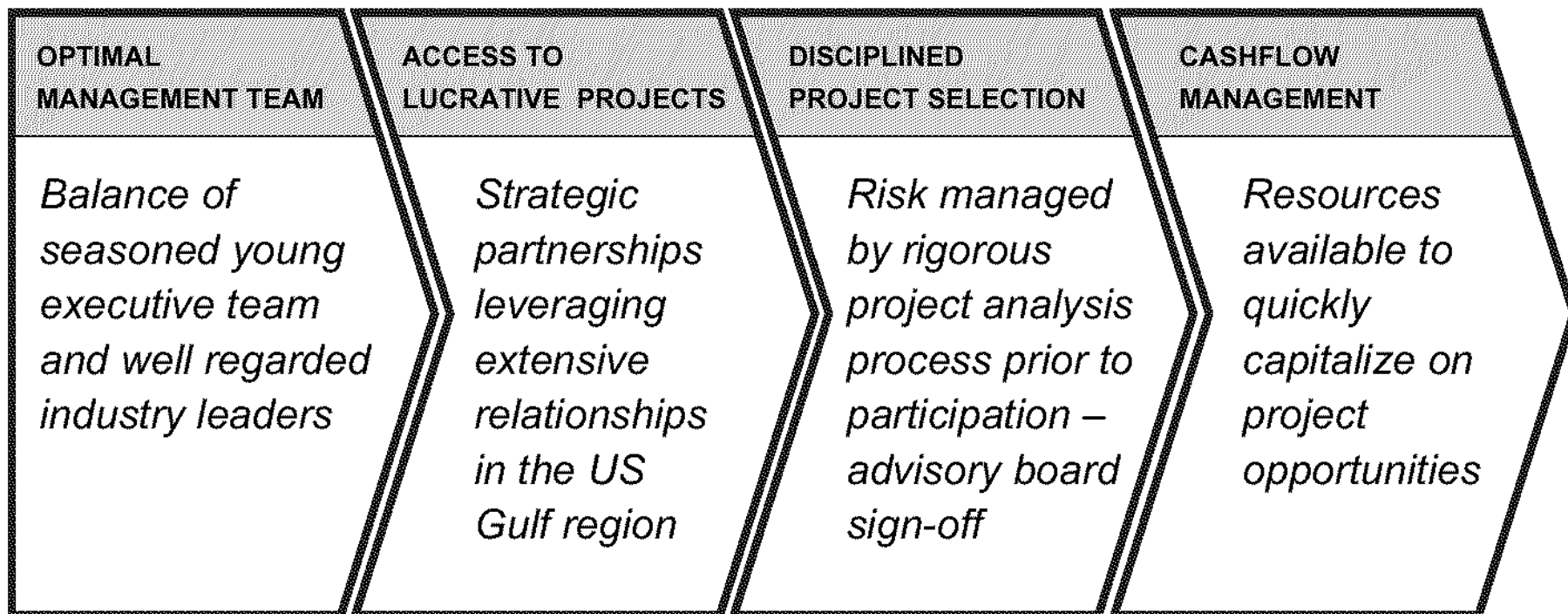
Clear Strategic Objectives for Building...

1. Near-term focus in the US on Louisiana and the Gulf States including Texas; longer-term focus on North America
2. Apply a disciplined approach to project selection to manage cost of capital
3. Leverage on the ground experience to ensure access to favorable projects
4. Structure win-win partnerships to seize best opportunities

...on a Strong Platform

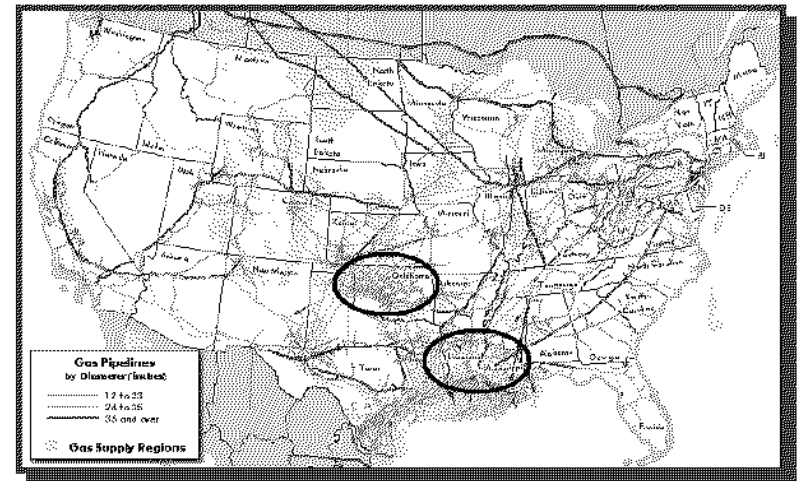


Management Assets Support Strategic Ambitions



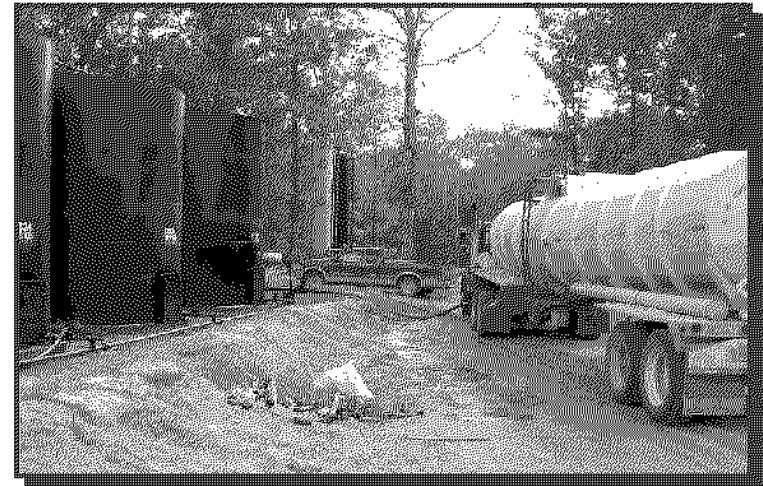
Pryme's Current Focus: Louisiana – Prospective and Relatively Predictable

- Among the strongest markets for oil and natural gas in the U.S., with commensurately high oil and gas prices
- Ranks 5th in oil production and 8th in reserves in the U.S.
- Network of crude oil, product, and liquefied petroleum gas (LPG) pipelines and storage facilities
- Second-highest refining capacity after Texas



Louisiana: LaSalle Parish Project

- Current production average of 1500 barrels per month: Stake in 23 producing oil wells
- Project Risk Spread: Located in six separate fields (1,125 acres) in LaSalle Parish, Louisiana
- Increasing cash flow: Currently A\$1.5M in annual net operating income (production revenue less production expenses)
- Target A\$2.0M NOI end of 2006
- Incremental growth opportunities with relatively low investment via development drilling
- Two Northwest Rogers wells to be drilled in 2006; Coleman 8 early January 07

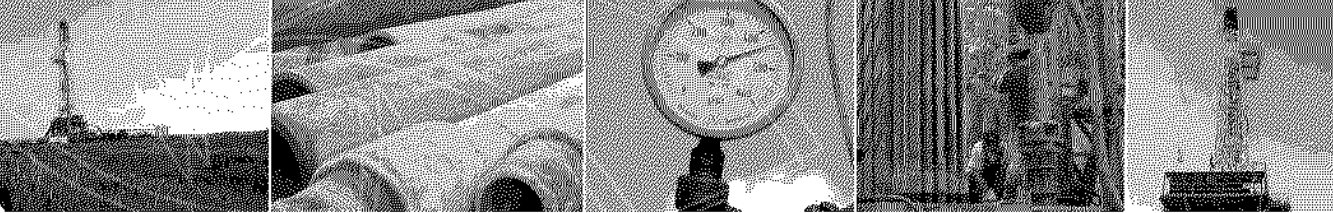


Louisiana: Turner Bayou 3D Project

Project Description

- Located in south central Louisiana
- Area covers 87 square miles (55,680 acres)
- Pryme is the major shareholder with 52% working interest - three other partners
- On trend with major producing fields (e.g. Port Hudson 1 Tcf and Judge Digby 486 Bcf fields, Morganza Field 432 Bcf and Moore Sams Field 264 Bcf)





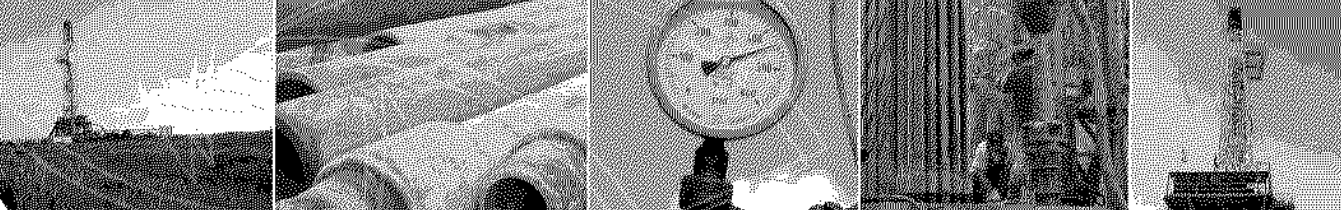
Turner Bayou Attractions

- 2D seismic survey has already shown potential of the area
- The main oil and gas objectives at different depths are: the Miocene/Frio sands; the Cockfield/Yegua and Sparta sands; Wilcox sands; Austin Chalk and the Tuscaloosa sands.
- High rate of return in the region
- High Frio completion success rate in region
- Prospective Reserves 150-180 Bcf of natural gas from all intervals combined

Turner Bayou Progress to Date

- Pryme's Phase II 3D seismic has begun with the drilling of shot holes and physical shooting of 3D taking place throughout Q4 2006
- Frio prospects to be drilled first (March/April 2007) to develop infrastructure and cash flow (expect 30-50 frio targets throughout project area)
- Saline Bayou 36 out of 38 wells in the Frio
- Sugartown 3 out of 3 in the Frio thus far



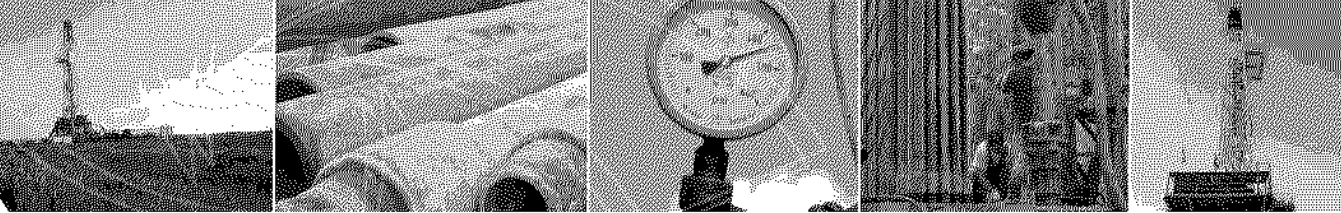


Turner Bayou Potential Outcomes

- Increase in reserves, production and shareholder value
- Example of strong cash flow - 20 Frio wells successfully drilled should produce US\$455,936 per month (A\$7,294,976 per annum) in net operating income to Pryme, based on US\$6/MMBtu gas price and a flow rate per well of 400 Mcf/day
- Exploration success rate in the Frio 94% (Saline Bayou)

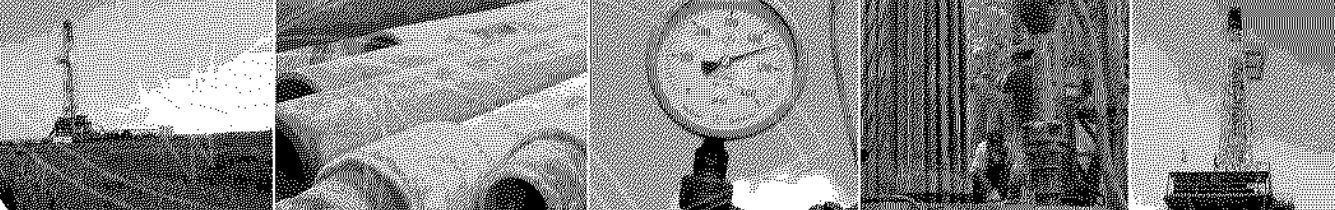
Success rate	20%	35%	50%
Working interest	52%	52%	52%
Prospective Bcf (100% WI)	150	150	150
Net Bcf to PYM (P1)	15.6	27.3	39.0
Net value to PYM (AUD)	52.0M	91.0M	130.0M
Value per share	\$0.47	\$0.82	\$1.17

Notes: 1 Mcf in the ground equals US\$2.50 / Fully diluted shares on issue 111,091,865 / AUD/USD exchange rate 0.75



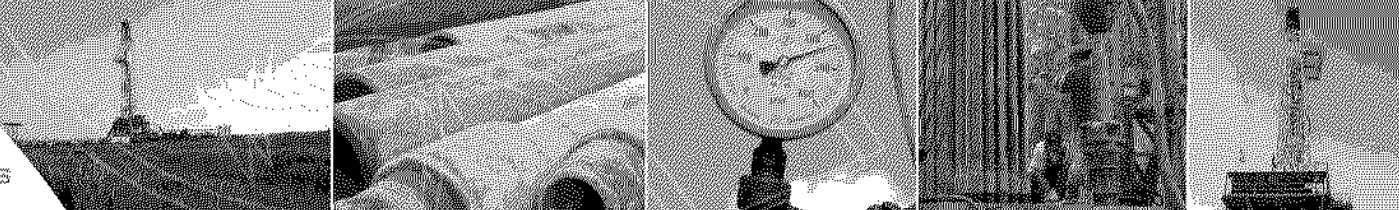
Wave Exploration Joint Venture: A Win-Win Partnership

- Joint venture structured for best outcome
- Pryme is the funding partner, Wave is the project originator
- Wave consists of two highly successful petroleum geologists with a background working for BP/Amoco responsible for the discovery of over 500 Bcf of reserves
- Currently working on three projects that have combined prospective reserves of 127 Bcf
- Increase reserves and production at a low capital cost and mitigated risk through Pryme's carried working interest and overrides
- First right of refusal three year term



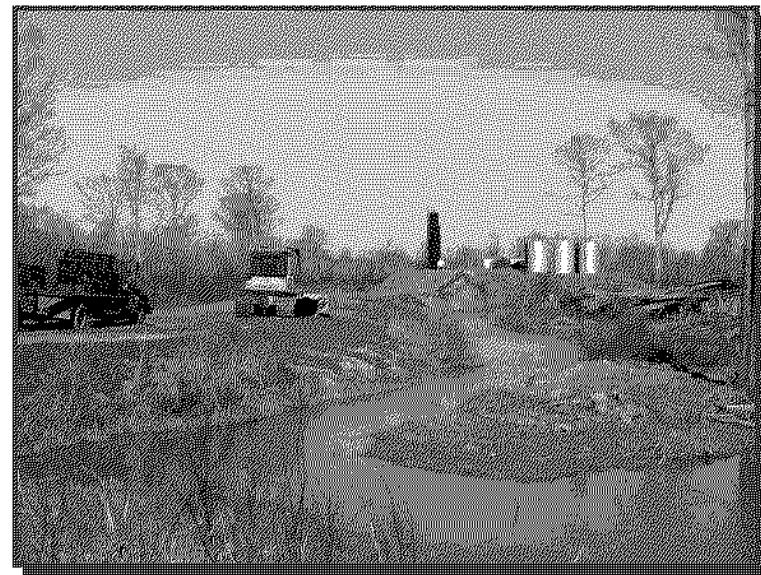
Win-Win Dynamics

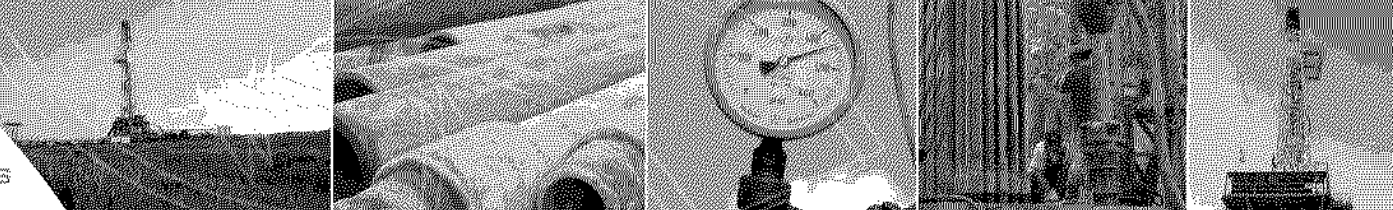
- Pryme funds leasing of the exploration tenements
- Pryme and Wave sell the projects to other companies
- Current industry landscape indicates a shortage of quality projects at the right price; preliminary interest from large, reputable oil and gas production and exploration companies
- Sale price of each prospect covers costs plus a cash profit and most often provides (net to Pryme) an 8% carried working interest and 0.8% overriding royalty interest
- Opportunity to participate through taking a stake in the project at cost



Wave Joint Venture Attractions

- Deep oil and gas targets/ known formations on proven trends mainly being explored by majors
- Large prospective reserves
- Kestrel – 33 Bcf of gas
(Hackberry - Close to existing wells)
- Raven – 50 Bcf of gas
(Cotton Valley – Engineering play)
- Condor – 40 Bcf of gas
(Deep Tuscaloosa – Reserve report)

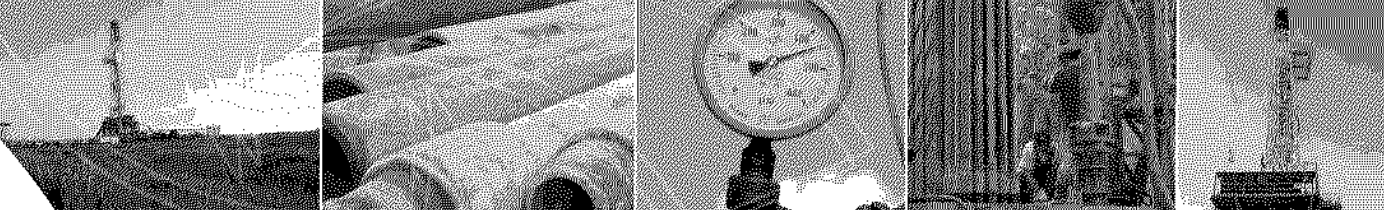




Raven Project

- Project fully syndicated Pryme retaining a 40% WI
- Drilling in the fairway of the prolific Cotton Valley natural gas trend in northern Louisiana
- 60% WI held and operated by experienced, highly successful local operator , Nelson Energy of Shreveport, Louisiana
- “Engineering play” with emphasis given to the drilling and completion techniques and production of the wells
- Expected reserves and drainage 5.0 Bcf per well with approximately ten drilling locations identified
- DHC and Completion per well US\$2.3 million (US\$960,000 net to Pryme)
- Expected cash flow per well approximately US\$1,918,620 per annum (US\$767,448 net to Pryme)

Notes: Average daily production 1500MCFD / net of royalty, severance taxes and operating allowance / US\$5.00 per MCF gas price

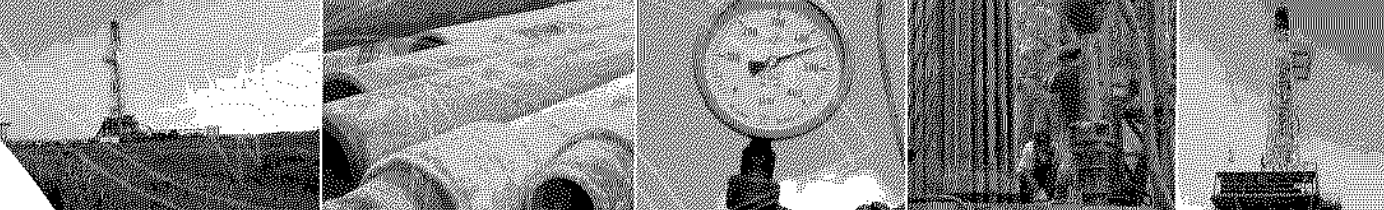


Wave JV Potential Outcomes

- Increase in company valuation through reserves in the ground.
- Cash from sale proceeds
- Royalty income stream

	Kestrel	Raven	Condor
Cash profit (Cost/Budget) (AUD)	\$120k(\$300k)	\$120k(\$400k)	\$160k(\$650k)
Carried WI/Override	10%	10%	10%
Working Interest		30%	
Prospective Bcf	33.0	50.0	40.0
Net Bcf to PYM	3.30	20.0	4.00
Net value to PYM (AUD)	11.0M	67M	10.0M
Value per share	\$0.10	\$0.60	\$0.09
Total value per share	\$0.79 / \$400k(\$1.35M)		

Notes: 1 Mcf in the ground equals US\$2.50 / Fully diluted shares on issue 111,091,865 / AUD/USD exchange rate 0.75 / Actual trade terms and costs accurate at time of writing.



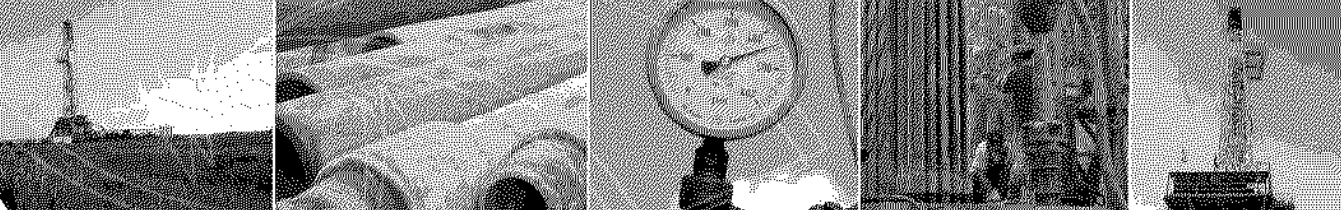
The Opportunity for Shareholders

LaSalle Parish Project	Profitable – A\$1.5M in NOI per annum
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Turner Bayou Project	\$0.82 per share
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Wave Exploration JV	\$0.79 per share
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Potential	> \$1.61 per share
	(Turner 35% successful)
	(Wave 8% carry, 0.8% override & 40% WI in Raven)



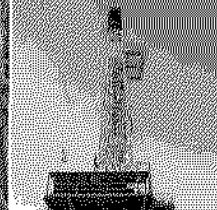
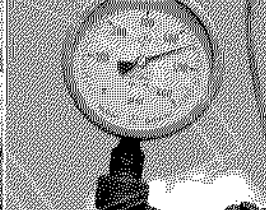
Delivering on Promises in 2006:

- Current net production averages 1500+ barrels/month from LaSalle Parish Project and increasing
- Five-year agreement with the exclusive right and access to all drill rigs operated by Golden West Drilling to drill wells at Pryme's discretion throughout Louisiana and Mississippi.
- Commenced three JV projects in conjunction with Wave
- Bank of NY ADR OTCBB launched to enhance capital markets profile and support liquidity
- Raised \$14.2 million in 2006 (including IPO) to fund current and future projects

Seizing Upside Potential

- LaSalle Parish Project
 - Drilling to continue throughout 2006
 - Two NWR wells late Dec 06
 - Coleman 8 early Jan 07
- Turner Bayou 3D Project
 - 3D contractor chosen and signed with topographic survey and shot holes currently being drilled
 - 3D shoot completed January/February 2007
 - Initial drilling program to begin early in Q2 2007
- Wave Exploration JV
 - Kestrel
 - Fully leased and targeted to be funded by the end of Jan 07
 - Drilling to commence late Q1 2007 (drill sooner if funded earlier)
 - Raven
 - Full syndication with 40% WI retained by Pryme
 - Leasing continues to expand original scope
 - Drilling to commence early Q2 2007
 - Condor
 - Currently being leased
 - Drilling to commence mid Q2 2007

Managing Downside Protection



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ASX Code (Options): PYMO

US ADR Code: POGLY



Directors and Key People

Justin Pettett	Managing Director / CEO
John Dickinson	Chairman
Ryan Messer	President / COO
Philip Judge	Non-Executive Director
Ananda Kathiravelu	Non-Executive Director

Advisory Board

Don Ellison	Petroleum Engineering
Jay Stewart	Geology/Land
Craig Sceroler	Geology/Exploration

