



9 November 2010

Boardroom Radio Broadcast Turner Bayou Chalk project

Pryme Oil and Gas Limited (ASX: PYM) has joined the Boardroom Radio Australia (BRR) team to record and publish online broadcasts of various announcements its makes through the ASX. Please find enclosed a copy of the transcript of the latest BRR broadcast.

To listen to the broadcast simply click on the following link:
<http://www.prymeoilandgas.com.au/boardroomradio.htm>

PRYME OIL & GAS LIMITED (PYM) provides the opportunity to listen to an audio broadcast with Mr Justin Pettett, CEO and MD in a presentation titled "Pryme Flares Oil and Gas at Turner Bayou Chalk Project - Justin Pettett, Managing Director".

The presentation details are as follows:

- Pryme Flares Oil and Gas at Turner Bayou Chalk Project - Justin Pettett, Managing Director
- Presented by Mr Justin Pettett, CEO and MD
- Tue, 9 Nov 2010 2:15pm AEST
- A transcript is included below

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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ASX Code: PYM

OTCQX Code: POGLY

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).



RADIO INTERVIEW WITH JUSTIN PETTETT, MANAGING DIRECTOR, PRYME OIL AND GAS LIMITED, CONDUCTED ON MONDAY, 8 NOVEMBER 2010

Q1 Good afternoon and welcome to Boardroomradio. I am joined by Mr Justin Pettett who's the Managing Director of Pryme Oil and Gas. Justin, great to be speaking with you again.

A1 It's good to be here, James. Thanks.

Q2 Justin, you've put out a release with an update on activities at your Turner Bayou Chalk Project. Can you start by bringing us up to speed with the drilling progress that you have made to date?

A2 Drilling at the moment is progressing quite well. As shareholders would know from the past announcements, we have had a couple of hiccups along the way and minor technical difficulties and delays which we've overcome, particularly at the beginning of October where we had a bit of trouble kicking off from our vertical section of our well bore. But we've made our full turn and we are now drilling horizontally in this well. We're about 3,000 feet of our 4,500 feet horizontal leg and drilling is going along nicely.

Q3 Justin, in the release you did put out today, it's quite a spectacular image of some flaring going on at the Project. Can you tell me about the oil and gas flows that you are getting and why they're significant?

A3 It's always good to see a flare burning at an oil rig that's drilling away. The significance of this flare obviously is to burn off any background gas that's coming out of the well bore, which is consistent as we drill through these multiple fractures that we note in our announcement. We do get background gas – quite strong background gas – and also some oil coming to the surface and it's burnt off at the rig through this flare. A couple of things to note with the flare itself is the colour and also the black smoke, which is indicating heavies or oil being burnt off at the well bore. With a very clean methane-type gas, you'll have a very clear flame, but the richer the gas you'll get more of a golden orangey colour. The smoke coming off the top of the flare is showing what's called heavies or oil being burnt off. So they're two things to take into account when looking at any flare and two characteristics to look for. The size of the flare itself will change as we're drilling through the horizontal section and as we pass through various fractures. It will increase in size, obviously, to a lot larger than the picture that we've got in our announcement as we go through some of the larger fractures, and it will reduce in size when we're drilling through the Austin Chalk itself.

Q4 Justin, in terms of a forward program, can you tell me about the timeline that you're going to put in place at the Project and what's going to be taking place?

A4 We've estimated, along with the operator, that end of next week we should be finished the drilling of our horizontal well so we should have hit target depth. From there, we'll then put



our production liner in place, which will take around five days. And then, within two to three weeks from that point, obviously, the rig will come down and testing equipment will come in. So we're looking early December for our all-important flow test. And that's something we're definitely looking forward to and I know a lot of shareholders and investors are looking forward to. So that's the timeline through to the beginning of December. Shortly after the flow testing we can get this well on line. So we're expecting in the month or during the month of December to be able to put this well on line if everything works out and everything is successful and be selling oil and gas by the end of the year.

Q5 Great. Well, Justin, some impressive images coming from the Project and it sounds from your commentary that it's quite an exciting time for the Company. Good luck with the rest of the drilling and we look forward to being in touch when you've got some more news about the appraisal program for us to speak about.

A5 Thanks, James.

INTERVIEW CONCLUDED