



5 October 2010

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

Catahoula Lake Project Update

Please find enclosed a copy of an announcement from Pryme Lake Exploration LLC (PLX) regarding its project located on Catahoula Lake, Louisiana. PLX is 50% owned by Pryme Oil and Gas Limited (ASX:PYM) and 50% owned by Future Corporation Australia Limited (ASX:FUT).

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).

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The Company has reviewed the potential benefits from working over operating wells within the Pryme Lake Exploration ('PLX' - 50% owned by Pryme Oil and Gas Limited (ASX: PYM) and 50% owned by Future Corporation Australia Limited (ASX: FUT)) 100% owned tenements in the Catahoula Lake project and expects that the workovers of two or three wells should result in a significant increase in revenue for little outlay. Therefore, subject to weather or other events limiting access to the wells, PLX intends to workover two or three wells prior to the end of 2010.



PLX 100% owned C-Lease Production Facilities in Catahoula Lake

As a result of the expected benefits from working over existing wells, and the cost benefit of drilling from the Barge Rig, drilling from a land-based rig on the periphery of Catahoula Lake has been deferred and it is now planned that those locations will be drilled in 2011 from the company's Barge Rig.



Preventative maintenance and pipeline work continues in the lake while the water level is down



Work to prioritise locations for barge rig drilling within the lake is underway. Barge rig drilling is planned to resume after the water level rises in the first quarter of 2011. Further details of the 2011 drilling program will be released leading up to the drilling season.

Active exploration on the lake has been impeded during 2010 by the bankruptcy of Pryme's partner, Tridimension Energy LLC. However, the Company is hopeful that those issues will be resolved within the next few months.

Project Description

Pryme Oil and Gas Limited and Future Corporation Australia Limited each own 50% of Pryme Lake Exploration ('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 100% Working Interest (75% NRI) in 320 mineral acres within Catahoula Lake with associated oil production and facilities. PLX also owns a 50% interest in a drilling barge, service barges, crew boats and associated equipment which are required to drill and operate on Catahoula Lake.

The Catahoula Lake project is located 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 barrels for each successful well drilled from lake locations.

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