



3 July 2008

Company Announcements Office
ASX Limited
Exchange Centre
Level 5, 20 Bridge Street
Sydney NSW 2000

Dear Sir

Pryme Oil and Gas Limited (Pryme) – Conversion of PYMO A\$0.40 Options (PYMO Options)

Pryme refers to the conversion of the PYMO Options, for which shares were allotted today.

With reference to Pryme's Appendix 3B lodged on 20 June 2008, Pryme advises that 1,100 PYMO Options were exercised and 41,486,274 PYMO Options lapsed on 30 June 2008.

Yours sincerely

A handwritten signature in black ink, appearing to read "J Rolfe", written in a cursive style.

Janine Rolfe
Company Secretary