



19 April 2006

Mr Gonzalo Valencia
Australian Stock Exchange Limited
Level 3, Stock Exchange Centre
530 Collins Street
MELBOURNE VIC 3000

Dear Sir

PRYME OIL AND GAS LIMITED

We refer to your letter to Steinepreis Paganin dated 5 April 2006 setting out the requirements that Pryme Oil and Gas Limited (**Pryme**) must satisfy prior to listing on Australian Stock Exchange Limited (**ASX**).

We respond to the items of your letter as follows:

- 1.1 the prospectus issued by Pryme dated 3 March 2006 (**Prospectus**) was closed with the minimum subscription being met. Allotment and issue of the shares pursuant to the Prospectus has occurred;
- 1.2 copies of the restriction agreements have been provided to ASX;
- 1.3 we attach a copy of Pryme's Corporate Governance policies;
- 1.4 we confirm that completion of the acquisition of interests in the La Salle Parish project has occurred today;
- 1.5 we confirm that the Company has received payment of all outstanding calls on 1,137,250 ordinary shares issued at 16 cents each partly paid to 4 cents on application with 12 cents payable at call;
- 1.6 we confirm that holding statements are being dispatched today. No application monies have been refunded;
- 1.7 we attach a distribution schedule (prepared by Advanced Share Registry Services) setting out the number of holders in each class of securities to be quoted on ASX as required pursuant to Appendix 1A, paragraph 48;
- 1.8 we attach a statement (prepared by Advanced Share Registry Services) setting out the names of the 20 largest holders of each class of securities to be quoted on ASX



including the number and percentage of each class of securities held by those holders;

- 1.9 we attach a statement setting out the number of securities subject to escrow and the escrow period applicable to those securities, together with a copy of the undertaking given by Advanced Share Registry Services in relation to those restricted securities.

Yours faithfully

A handwritten signature in black ink, appearing to read "JPettett", is written over a faint, circular watermark or stamp.

Justin Pettett
Managing Director
Pryme Oil and Gas Limited