



---

PRYME ENERGY LIMITED  
ABN 75 117 387 354  
NOTICE OF ANNUAL GENERAL MEETING

---

**TIME:** 11:00am (Brisbane time)

**DATE:** 24 April 2013

**PLACE:** Riverside Centre  
Level 15, 123 Eagle Street  
Brisbane QLD 4000

**This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please contact the Managing Director on +617 3371 1103.**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (AGM) of the Shareholders of Pryme Energy Limited (Pryme) will be held at 11.00am (Brisbane time) on Wednesday 24 April 2013 at the Riverside Centre, Level 15, 123 Eagle Street, Brisbane, Queensland.

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

### **A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 31 December 2012.

Unless the Company's Share Registry has been notified otherwise, Shareholders have not been sent a hard copy of the Annual Report. All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2012, on the Company's website ([www.prymeenergy.com](http://www.prymeenergy.com)); go to "Announcements and Reports" and then "Annual Reports".

### **B. QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions submitted by Shareholders will be made available at the start of the Meeting and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

### **C. ITEMS FOR APPROVAL**

#### **1. Re-election of Director – Mr George Lloyd**

To consider and, if thought fit, to pass the following as an ordinary resolution of Shareholders of the Company:

*"That, Mr George Lloyd, who retires in accordance with clause 13.2 of the Company's Constitution, having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company."*

## 2. Ratification of Private Placement of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution of Shareholders of the Company:

*“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of a total of 29,382,789 shares at an issue price of \$0.08 per share on 17 December 2012, 2 January 2013 and 22 February 2013 and the issue of a total of 9,521,250 options with an exercise price of \$0.15 per option on 17 December 2012 and 2 January 2013 to a variety of sophisticated and institutional investors, on the terms as described in the Explanatory Statement which forms part of this Notice of Meeting.”*

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 2 by any participants in the issue and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

## 3. Increase in share issue capacity under Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution as a special resolution of Shareholders of the Company:

*“That, for the purposes of ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum be approved.”*

Resolution 3 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 3 must be in favour of the resolution.

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by a person (and any such associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution is passed. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### 4. Amendment to Constitution

To consider and, if thought fit, pass the following resolution as a special resolution of Shareholders of the Company:

*“That, the Constitution of Pryme Energy Limited be amended as follows:*

- a. *by inserting the words “except where a fee is permitted by the Listing Rules” at the end of sub-clause 8.4(c).”*

Resolution 4 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 4 must be in favour of the resolution.

#### 5. Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

*“That, the Company’s Remuneration Report for the financial year ended 31 December 2012 (set out in the Directors’ Report) be adopted.”*

The Remuneration Report is set out in the 2012 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth), the vote on this resolution is advisory only, and does not bind the Directors or the Company.

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 in contravention of section 250R or 250BD of the Corporations Act:

- by or on behalf of a member of the Key Management Personnel whose remuneration is included in the Remuneration Report;
- by or on behalf of a closely related party (such as close family members and any controlled companies) of a member of Key Management Personnel whose remuneration is included in the Remuneration Report; or
- as a proxy of any of the above.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) on the proxy appointment and in accordance with the exception under section 250BD of the Corporations Act; or
- by the Chairman of the Meeting as an undirected proxy where the Chairman has been expressly authorised to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the Key Management Personnel.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director of the Company and their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**By order of the Board**



**Swapna Keskar  
Company Secretary  
15 March 2013**

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 11:00am (Brisbane time) on 22 April 2013 will be entitled to attend and vote at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *Voting by Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (Brisbane time) on 22 April 2013, being 48 hours before the AGM. Proxies must be received before that time by one of the following methods:

- |               |   |
|---------------|---|
| By post:      | Pryme Energy Limited<br>C/- Link Market Services Limited<br>Locked Bag A14<br>Sydney South NSW 1235 |
| By facsimile: | In Australia (02) 9287 0309<br>From outside Australia +61 2 9287 0309                               |
| By delivery:  | Link Market Services Limited<br>1A Homebush Bay Drive<br>Rhodes NSW 2138                            |

### *Voting by Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00am (Brisbane time) on 22 April 2013, being 48 hours before the AGM.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act 2001. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

### *Shareholder questions*

If you wish to put a question to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Chief Financial Officer at [Sandra@prymeenergy.com](mailto:Sandra@prymeenergy.com). To allow time to collate questions and prepare answers, questions are to be received by the Chief Financial Officer by 5:00pm (Brisbane time) 17 April 2013.

Questions submitted in writing to the Chief Financial Officer will be put to the Chairman or Auditor at the Board's discretion.

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at The Riverside Centre, Level 15, 123 Eagle Street, Brisbane, Queensland at 11:00am (Brisbane time) on 24 April 2013.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions at the Annual General Meeting.

### **RESOLUTION 1: RE-ELECTION OF DIRECTOR – MR GEORGE LLOYD**

In accordance with clause 13.2 of the Company's Constitution, Mr George Lloyd retires by rotation and, being eligible, offers himself for re-election as a Director.

Mr Lloyd has been a Director and Chairman of the Company since January 2008. Mr Lloyd has a Bachelors degree in Engineering Science (Industrial Engineering) as well as a Masters degree in Business Administration, both from the University of New South Wales. He is a graduate of the Stanford Executive Program, Stanford University, California and is also a Fellow of the Australian Institute of Company Directors and a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Lloyd has more than 30 years senior management experience in the resources and energy sectors, with a focus on business development, corporate strategy, mergers and acquisitions and exploration management. He is the Chairman of AWR Lloyd Limited, an Asian-based corporate finance and strategy advisor to the energy, mining and metals industries in the Asia-Pacific region. He is also Chairman of ASX listed Cape Alumina Limited, which is engaged in the exploration for and development of bauxite resources, and Acting Chairman of ASX listed Ausenco Limited, a provider of engineering services to the global resources and energy industries.

*The Directors, with Mr Lloyd abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.*

### **RESOLUTION 2: RATIFICATION OF PRIVATE PLACEMENT OF SHARES**

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of Listing Rule 7.1.

Accordingly, Resolution 2 is seeking ratification for the issue of:

- a total of 38,904,039 shares at an issue price of \$0.08 per share which were issued on 17 December 2012, 2 January 2013 and 22 February 2013; and
- a total of 9,521,250 options at an exercise price of \$0.15 per option and will expire on 30 November 2013 which were issued on 17 December 2012 and 2 January 2013,

without Shareholder approval. The issue of these shares and options was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting Shareholders ratify the issue of the shares and options the subject of Resolution 2 for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

For the purposes of ASX Listing Rule 7.5, the following information is provided:



- 29,382,789 shares in total were issued in 3 tranches (on 17 December 2012, 2 January 2013 and 22 February 2013). 9,521,250 options in total were issued on 17 December 2012 and 2 January 2013.
- The shares were issued at \$0.08 per share and the options were issued at an exercise price of \$0.15 per option and will expire on 30 November 2013.
- The shares are ordinary fully paid shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares. The options are unlisted and once exercised will be issued on the same terms and conditions as the Company's existing shares; further details in respect of the options are given in Annexure 1 which forms a part of this Explanatory Statement.
- The shares and options were issued to sophisticated and institutional investors.
- The funds raised through the issue of 28,690,289 of the shares on 17 December 2012 and 22 February 2013 will be used for general working capital. 692,500 shares issued on 2 January 2013 were issued in lieu of brokerage fees in relation to the placement announced on 17 December 2012;
- A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

*The Directors unanimously recommend Shareholders vote in favour of this Resolution.*

### **RESOLUTION 3: INCREASE IN SHARE ISSUE CAPACITY**

The recently introduced ASX Listing Rule 7.1A enables small to mid cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (10% Placement Facility). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

Accordingly, Resolution 3 is seeking approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Statement, which forms a part of the Notice of Meeting.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- have a market capitalisation of \$300 million or less; and
- not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the Meeting as well.

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the ordinary shares will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
  - the date on which the price at which the securities are to be issued is agreed; or
  - if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
- The existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity shares which are the subject of this resolution, to the extent that such shares are issued; including:

- (a) the market price of ordinary shares may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) the ordinary shares may be issued at a price that is at a discount to the market price for those ordinary shares on the issue date.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of the company's ordinary shares and the current number of ordinary shares as at the date of this Memorandum (Variable A) calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- o two examples where Variable A has increased, by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders meeting;
- o two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" Listing Rule 7.1A2		Dilution		
		\$0.0625  50% decrease in issue price	\$0.125  Issue price	\$0.25  100% increase in issue price
Current Variable "A" is the current number of shares on issue  289,708,568 ordinary shares	<b>10% voting dilution</b>	28,970,857 shares	28,970,857 shares	28,970,857 shares
	<b>Funds raised</b>	\$1,810,678.55	\$3,621,357.13	\$7,242,714.25
50% increase in current Variable A  434,562,852 ordinary shares	<b>10% voting dilution</b>	43,456,285 shares	43,456,285 shares	43,456,285 shares
	<b>Funds raised</b>	\$2,716,017.81	\$5,432,035.63	\$10,864,071.25
100% increase in current Variable A  579,417,136 ordinary shares	<b>10% voting dilution</b>	57,941,714 shares	57,941,714 shares	57,941,714 shares
	<b>Funds raised</b>	\$3,621,357.13	\$7,242,714.25	\$14,485,428.50

Notes:

- (i) the table assumes that the Company issues the maximum number of ordinary shares available under Listing Rule 7.1A
  - (ii) the table assumes that no options are exercised in ordinary shares before the date of the issue of ordinary shares under Listing Rule 7.1A
  - (iii) the table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the meeting
  - (iv) the table shows the effect of an issue of ordinary shares under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1
  - (v) the issue price is \$0.125 being the closing price of the shares on ASX on 4 March 2013.
- If any of the ordinary shares being approved by this resolution are issued, they will be issued within 12 months of the date the AGM i.e. by 24 April 2014 and the approval being sought by this resolution will cease to be valid if ordinary shareholders approve a transaction under Listing Rules 11.1.2 or 11.2 prior to 24 April 2014.
  - The ordinary shares will be issued for the purpose of raising working capital for the Company and may be issued for non-cash consideration. In addition to the application of the funds to general working capital purposes, the funds will be applied to the identification, evaluation and, if warranted, the acquisition of working interests in new projects; the exploration cost of new projects; and the maintenance and, if warranted, further exploration of existing projects;
  - The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
    - the methods of raising funds that are available to the Company;
    - the effect of the issue of the Equity Securities on the control of the Company. Allocation will be subject to takeover thresholds;
    - the financial situation and solvency of the Company; and
    - advice from corporate, financial and broking advisors (if applicable)

The allottees under the 10% Placement facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

- The Company has not obtained approval under Listing Rule 7.1A previously.

A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. At the date of the Notice, the proposed allottees of any Securities which may be issued in accordance with this resolution are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Securities which may be issued in accordance with this resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 3 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 3 must be in favour of the resolution.

*The Directors unanimously recommend that Shareholders vote in favour of this Resolution.*

## **RESOLUTION 4: AMENDMENT OF CONSTITUTION**

Clause 8.4 of Company's Constitution deals with off-market transfers. Sub-clause (c) provides that the Company shall not charge a fee on the registration of an off-market share transfer. Until recently this rule reflected the position of the ASX Listing Rules. However, ASX Listing Rule 8.14.1 was amended in January 2011 and now provides that a listed company may charge a reasonable fee for, among other things, registering paper based transfers.

It is proposed that sub-clause 8.4 (c) of the Company's Constitution be amended to provide that the Company may charge a fee for registering transfer forms and other documents, to the extent permitted by the ASX Listing Rules. This will enable the Company to charge shareholders a modest fee to register paper-based transfers. The fee is intended to recoup the costs of the Company's share registry administering additional security checks when processing off-market paper based transfer. These additional checks are aimed at reducing the instance of fraudulent off-market transfers.

Sub-clause 8.4 (c) currently reads as follows: "a fee shall not be charged on the registration of a transfer of Shares or other securities".

It is proposed to amend this clause by adding the words "except where a fee is permitted by the Listing Rules" at the end of the sub-clause.

Before the Company or Registry commences charging (or increasing) such fee, it must formally notify ASX Listings of the amounts that are proposed to be charged and provide sufficient information to enable ASX Listings to assess the reasonableness of the proposed amounts.

Resolution 4 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 4 must be in favour of the Resolution.

*The Directors unanimously recommend Shareholders vote in favour of this Resolution.*

## **RESOLUTION 5: REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of director and key management personnel (Remuneration Report) be put to the vote of shareholders for adoption by way of a non-binding vote.

If there is a vote of 25% or more against the Remuneration Report, and another vote of 25% or more at the 2014 AGM, then a resolution will be put to the 2014 AGM to put the Board (other than the Managing Director) up for re-election (Spill Resolution). If the Spill Resolution passes, then the Company must hold a Spill Meeting within 90 days at which all Directors (other than the Managing Director) who were Directors at the time the Remuneration Report that received the second strike was approved by the Board will retire and may resubmit themselves for re-election.

The Remuneration Report details the remuneration policy for the Company and:

- reports the remuneration arrangements for Company Executives and Non-Executive Directors (Pryme Personnel);
- explains Board policies in relation to the nature and value of remuneration paid to Pryme Personnel; and
- discusses the relationship between the policy and Company performance.

The Report is available on pages 20 to 25 in the Company's 2012 Annual Report (available on the Pryme website, go to "Announcements and Reports" and then "Annual Reports").

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

Resolution 5 is an advisory resolution only (as stipulated by Section 250R(3) of the Corporations act and does not bind the Directors or the Company.

A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.

*The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.*

## Annexure 1

### Complete Terms of the Options (Resolution 2)

Options have been issued on the following terms and conditions:

- (a) each Option entitles the holders to one (1) share in the Company;
- (b) the Options the subject of Resolution 2 are exercisable at any time prior to 5.00pm (Brisbane time) on 30 November 2013 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the Option exercise price is \$0.15 per Option;
- (d) (subject to (h) below) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are freely transferable. The Company does not intend on seeking quotation on ASX of the Options at this stage;
- (f) all shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
- (g) The Company will apply for quotation on ASX of all shares issued upon exercise of the Options;
- (h) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

## SHAREHOLDER PROXY FORM

I/We being a member(s) of Pryme Energy Limited and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting (mark box)** OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **11:00am on Wednesday, 24 April 2013, at Riverside Centre, Level 15, 123 Eagle Street, Brisbane QLD 4000** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

### STEP 2

### VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 1</b> Re-election of Director - Mr George Lloyd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Ratification of Private Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Increase in share issue capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### STEP 3

### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Monday, 22 April 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**by mail:**

Pryme Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.