



Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney  
NSW 2000

5 February 2010

Dear Sir,

**Pryme Oil and Gas Limited (Pryme) (ASX Code PYM)  
Issue of securities**

Please find attached an Appendix 3B in respect of the issue of 1,106,855 Performance Rights (PRs)/Restricted Stock Units (RSUs) to executives, together with Change of Directors' Interests Notices. The performance conditions of these PRs/RSUs have been satisfied and subject to continued employment with Pryme, 50% of the above PRs/RSUs will vest on 1 January 2011 and the balance 50% will vest on 1 January 2012.

Further, Pryme wishes to announce that it will seek shareholder approval at the 2010 Annual General Meeting for grant of a maximum of 3,862,004 PRs/RSUs under the 2010 Long Term Incentive Plan (2010 LTIP) to executives, further details of which will be given in the Notice of the 2010 Annual General Meeting.

For further information, please contact

**Justin Pettett**  
**Managing Director**  
**Pryme Oil and Gas Limited**  
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Email: [justin@prymeoilandgas.com](mailto:justin@prymeoilandgas.com)

**Ryan Messer**  
**Chief Operating Officer**  
**Pryme Oil and Gas Limited**  
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Email: [ryan@prymeoilandgas.com](mailto:ryan@prymeoilandgas.com)

*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).*

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available.  
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Pryme Oil and Gas Limited

ABN

75 117 387 354

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Performance Rights (PRs)/Restricted Stock Units (RSUs) convertible into ordinary shares in the capital of Pryme on a one for one basis.  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1,106,855 PRs/RSUs   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Subject to continued employment with Pryme, 50% PRs/RSUs will vest on 1 January 2011 and the balance 50% will vest on 1 January 2012.<br><br>The PRs/RSUs are personal to the issuee and may not be traded, sold or transferred. |

+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No. The PRs/RSUs are issued as part of the Long Term Incentive Plan and subject to continued employment, 50% of the PRs/RSUs will convert to ordinary shares on 1 January 2011 and the balance of 50% will convert to ordinary shares on 1 January 2012.</p> <p>The PRs/RSUs will not rank equally with an existing class of quoted securities.</p> <p>The PRs/RSUs will not participate for the next dividend.</p> <p>The PRs/RSUs do not have voting rights attaching and will not participate in dividends.</p>				
<p>5 Issue price or consideration</p>	<p>Nil consideration</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Granted as part of remuneration</p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>-</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="699 1581 995 1615">Number</th> <th data-bbox="995 1581 1284 1615"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1615 995 1841">178,801,337</td> <td data-bbox="995 1615 1284 1841">Ordinary Shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	178,801,337	Ordinary Shares
Number	<sup>+</sup> Class				
178,801,337	Ordinary Shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	500,000	\$0.15 Options expiring 20 January 2012 Performance
	1,106,855	Rights/Restricted Stock Units
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	-	

**- Items 11 to 42 have been deleted -**

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+ See chapter 19 for defined terms.

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
.....  
(Director/~~Company secretary~~)

Date: 05.02.2010

Print name: Justin Pettett

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+ See chapter 19 for defined terms.

# APPENDIX 3Y

## CHANGE OF DIRECTOR'S INTEREST NOTICE

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b> PRYME OIL AND GAS LIMITED
ABN 75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Justin Pettett
<b>Date of last notice</b>	8 October 2009

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Direct or indirect interest</b>	Direct
<b>Nature of indirect interest (including registered holder)</b> <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	-
<b>Date of change</b>	4 February 2010
<b>No. of securities held prior to change</b>	<b>Ordinary Shares</b> 1. 3,225,000 – Pettett Pty Ltd 2. 436,000 – Mr Justin Pettett and Mrs Kathryn Pettett <Pettett S/F A/C>
<b>Class</b>	Performance Rights (PRs)
<b>Number acquired</b>	515,936
<b>Number disposed</b>	Nil
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil

+ See chapter 19 for defined terms.

<b>No. of securities held after change</b>	<p><b>Ordinary Shares</b></p> <ol style="list-style-type: none"> <li>1. 3,225,000 – Pettett Pty Ltd</li> <li>2. 436,000 – Mr Justin Pettett and Mrs Kathryn Pettett &lt;Pettett S/F A/C&gt;</li> </ol> <p><b>Performance Rights (PRs)</b></p> <p>515,936 PRs convertible into ordinary shares in the capital of Pryme on a one for one basis; subject to continued employment with Pryme, 50% of the PRs will vest on 1 January 2011 and the balance 50% will vest on 1 January 2011 – Direct</p>
<b>Nature of change</b> <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	PRs granted under the 2009 Long Term Incentive Plan as part of remuneration.

## Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	-
<b>Nature of interest</b>	-
<b>Name of registered holder (if issued securities)</b>	-
<b>Date of change</b>	-
<b>No. and class of securities to which interest related prior to change</b> <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	-
<b>Interest acquired</b>	-
<b>Interest disposed</b>	-
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	-
<b>Interest after change</b>	-

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Introduced 30/9/2001.

<b>Name of entity</b> PRYME OIL AND GAS LIMITED
ABN 75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Timothy Ryan Messer
<b>Date of last notice</b>	9 October 2009

**Part 1 - Change of director's relevant interests in securities**

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Direct or indirect interest</b>	Direct
<b>Nature of indirect interest (including registered holder)</b> <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	-
<b>Date of change</b>	4 February 2010
<b>No. of securities held prior to change</b>	<b>Ordinary Shares</b> 2,506,925 – Sourcerock Investments LLC  <b>American Depository Receipts</b> 555 (equivalent to 11,100 Ordinary shares) – Sourcerock Investments LLC
<b>Class</b>	Restricted Stock Units (RSUs)
<b>Number acquired</b>	515,936
<b>Number disposed</b>	-
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	Nil

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<b>No. of securities held after change</b>	<p><b>Ordinary Shares</b> 2,506,925 – Sourcerock Investments LLC</p> <p><b>American Depository Receipts</b> 555 (equivalent to 11,100 Ordinary shares) – Sourcerock Investments LLC</p> <p><b>Restricted Stock Units (RSUs)</b> 515,936 RSUs convertible into ordinary shares in the capital of Pryme on a one for one basis; subject to continued employment with Pryme, 50% of the RSUs will vest on 1 January 2011 and the balance 50% will vest on 1 January 2011 – Direct</p>
<p><b>Nature of change</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	RSUs granted under the 2009 Long Term Incentive Plan as part of remuneration

**Part 2 – Change of director's interests in contracts**

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	-
<b>Nature of interest</b>	-
<b>Name of registered holder (if issued securities)</b>	-
<b>Date of change</b>	-
<p><b>No. and class of securities to which interest related prior to change</b> Note: Details are only required for a contract in relation to which the interest has changed</p>	-
<b>Interest acquired</b>	-
<b>Interest disposed</b>	-
<p><b>Value/Consideration</b> Note: If consideration is non-cash, provide details and an estimated valuation</p>	-
<b>Interest after change</b>	-

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