



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

17 March 2014

Dear Sirs

## Rights Issue

We refer to the announcement made on 14 March 2014 regarding a non-renounceable rights issue (***Rights Issue***).

Please find attached letters that will be mailed to shareholders today regarding the Rights Issue.

Yours Sincerely,

A handwritten signature in black ink that reads "SKeskar".

Swapna Keskar  
Company Secretary

For further information please contact:

**Justin Pettett**  
**Managing Director**  
**Pryme Energy Limited**  
Telephone: +61 7 3371 1103  
Website: [www.prymeenergy.com](http://www.prymeenergy.com)

**Ryan Messer**  
**Chief Operating Officer**  
**Pryme Energy Limited**  
Telephone: +1 713 401 9806  
**ASX Code: PYM**      **OTCQX Code: POGLY**



17 March 2014

Dear Shareholder,

On 14 March 2014, Pryme Energy Limited (**Pryme**) announced to the Australian Securities Exchange (**ASX**) that it proposed to raise up to approximately \$5.9 million of new equity through a non renounceable rights issue (**Rights Issue**) in accordance with section 708AA of the Corporations Act 2001.

Shareholders with an address in Australia or New Zealand recorded on Pryme's register of members will be offered the opportunity to subscribe for 1 fully paid ordinary share in Pryme (**New Shares**) for every 1 fully paid ordinary share held at 7.00pm (AEST) on 24 March 2014, with fractional entitlements rounded up.

The New Shares will be offered at an issue price of \$0.02 per share (**Issue Price**). The Directors have reserved the right to offer at the Issue Price any additional shares that are not subscribed for in the Rights Issue (**Shortfall Shares**) in accordance with Listing Rule 7.2 Exception 3.

The Rights Issue (including the issue of any Shortfall Shares), may result in the issue of up to 295,708,568 fully paid ordinary shares. This will result in a total number of up to 591,417,136 ordinary fully paid shares on issue. New Shares and Shortfall Shares will rank equally with existing ordinary fully paid shares.

Details of the terms and conditions of the offer of New Shares and how to apply for Shortfall Shares will be contained in the offer document that will be sent to Eligible Shareholders on 25 March 2014. Subject to any changes that may be made by your Directors, the other key dates for this Rights Issue are:

Event	Date
Shares quoted on ex-entitlement basis	18 March 2014
Record Date for determining entitlements	7.00pm (AEST) 24 March 2014
Despatch of Offer Document and Entitlement and Acceptance Form – Offer Opens	25 March 2014
Closing Date	5.00pm (AEST) on 8 April 2014
Anticipated date for allotment and issue of New Shares	16 April 2014 (Shortfall Shares may be issued at any time up to 8 July 2014)
Anticipated date of mail out of transaction confirmation statements	22 April 2014



The additional funds, after the expenses of the Rights Issue and normal working capital requirements, will be used primarily to fund the Company's share of costs in the Capitola Oil Project located in the Permian Basin, Texas.

**Your Directors recommend that you read the offer document carefully when you receive it. The offer will be made without a disclosure document and accordingly it is important that you review Pryme's ASX announcements made in relation to the Rights Issue, together with past ASX announcements made regarding Pryme, its business operations, financial position and prospects before deciding whether to participate in the Rights Issue.** All ASX announcements released by Pryme and any documents relating to the Rights Issue can be accessed at [www.prymeenergy.com](http://www.prymeenergy.com) or at [www.asx.com.au](http://www.asx.com.au).

If you have any questions in relation to this letter please seek professional advice or contact Pryme on +61 7 3371 1103 during office hours.

Yours sincerely,

A handwritten signature in black ink, appearing to be "George Lloyd", written over a horizontal line.

George Lloyd  
Chairman



17 March 2014

Dear Shareholder,

Pryme Energy Limited (**Pryme**) is in the process of raising up to approximately \$5.9 million of new equity through a non renounceable rights issue (**Rights Issue**) in accordance with section 708AA of the Corporations Act 2001. Details of the Rights Issue are as announced to the Australian Securities Exchange (**ASX**) on 14 March 2014.

Shareholders with an address in Australia or New Zealand recorded on Pryme's register of members will be offered the opportunity to subscribe for one fully paid ordinary share in Pryme (**New Shares**) for every one fully paid ordinary share held at 7.00pm (Sydney, Australia time) on 24 March 2014, with fractional entitlements rounded up. The New Shares will be offered at \$0.02 per share.

Pryme has determined, in accordance with Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to offer participation in the Rights Issue to shareholders outside of Australia and New Zealand due to the legal limitations in some countries, the relatively small number of shares held by shareholders in other countries, the likely funds that would be raised from shareholders in those countries and the cost of complying with regulatory requirements in those countries.

Accordingly, as you do not have an address in Australia or New Zealand recorded on Pryme's register of members, Pryme unfortunately must advise you that **you will not be extended the opportunity to participate in the Rights Issue.**

Under the terms of the offer you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.

This notice is to inform you of the Rights Issue. It is not an offer to issue New Shares to you, nor is it an invitation to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in relation to this letter please seek professional advice or contact Pryme on +61 7 3371 1103 during office hours.

Yours sincerely,

A handwritten signature in black ink, appearing to read "George Lloyd", is written over a white background.

George Lloyd  
Chairman