



23 November 2015

Dear Pryme Shareholder

I am writing to you in relation to the recent requisition of a General Meeting to consider the removal of all current Directors of your Company and their replacement by three nominees of the requisitioning shareholder.

The Meeting will be held at 11:00am at the offices of Link Market Services, Brisbane on Monday, 4 January 2016. Recommendations of your Board, an Explanatory Statement and the Notice of Requisitioned Meeting accompany this letter.

I urge you to vote AGAINST all of the resolutions in the Notice of Requisitioned Meeting, for the reasons I outline below, and I urge you to support a Board and Management which has an enviable track record since the recapitalisation of the business in mid-2014 and a commitment to building shareholder value.

The requisitioning shareholder is Evo Fund, a United States based investment fund which, at the date of the requisition, held a 5.22% interest in the ordinary shares of the Company.

The Notice of Requisitioned Meeting is accompanied by a statement by Evo Fund of its reasons for requisitioning the Meeting and its intentions should the current Board of Directors be replaced by its nominees.

The principal reasons stated for requisitioning the general meeting are that, over the past 10 years, the Company has suffered significant capital destruction and that, over this period, the aggregate remuneration received by the Directors and Management is nearly twice the current market capitalisation of the Company.

The assertions by the requisitioning shareholder need to be addressed. In doing this it also needs to be pointed out that, to the best of the Company's knowledge, the requisitioning shareholder acquired its first shares in the Company in mid-2014 at the time of the recapitalisation of the Company by way of a rights issue at 1 cent per share and has only participated in the Company since the time of the recapitalisation. Accordingly any allegations of capital destruction are totally disingenuous and the achievements of Management since the recapitalisation, which are briefly discussed below, demonstrate success in rebuilding your Company in the face of declining oil prices and weak capital markets.

The only information that the requisitioning shareholder has provided about its intentions for the Company, should its nominees successfully replace the current Directors, is that:

"The new board will review the current business plan, the capital plan as well as a detailed technical assessment of all existing assets. It will seek to create value through both existing assets and, where appropriate, new upstream energy assets."

This statement does not provide any clear strategic intention to give confidence in the nominated directors' approach to managing your Company.

Since the recapitalisation of the Company in mid-2014 your Board and Management have made outstanding progress in protecting the Company's present financial position and positioning the business for growth and value creation by:

- Acquiring interests in two highly prospective projects – the Capitola Oil Project in East Texas and the Newkirk Project in Oklahoma
- Increasing the 1P and 2P Reserves of oil and gas attributable to the Company by a multiple of more than 20 times, from 176,000 barrels of oil equivalent (BOE) at 1 January 2015 to 4,127,000 BOE at 1 July 2015
- Increasing the leased acreage attributable to Pryme's interest in the Newkirk Project by 75% to 4,049 acres since 1 July 2015; a revised reserves report for the expanded Newkirk project is in preparation
- Increasing the average daily production of oil and gas by over 400% from 25 BOE per day in the December quarter of 2014 to 129 BOE per day in the September quarter of 2015
- Placing the Company in a position where it has an enviable cash position for a junior oil and gas company in the present market conditions; its cash reserves exceed those of approximately 75% of companies in the Energy GICS Sector with a market capitalisation less than \$50 million
- Placing the Company in a position where, notwithstanding the dramatic fall in oil prices over the past year, it is cash flow positive. This has been achieved by reducing operating costs, including significant reductions to salaries and overheads, and eliminating discretionary expenses

Given this record of performance since the mid-2014 recapitalisation of the business, it is difficult to see how the criticism levelled at the performance of the Board and Management can be justified. Furthermore, the decline in the Company's share price, although regrettable, tracks the decline in the S&P/ASX200 Energy Index (XEJ) of approximately 45% and, similarly, also tracks the decline in the price of oil.

It is the stated intention of your current Board and Management to place the Company in a strong position to respond to an improvement in the oil price. The evidence presented above and detailed in the Explanatory Statement which is included with the Notice of Meeting, strongly supports this position.

In closing, I strongly encourage you to vote AGAINST all of the resolutions in the Notice of Requisitioned Meeting.

Yours faithfully



George Lloyd
Chairman



PRYME ENERGY LIMITED
ABN 75 117 387 354
**RECOMMENDATIONS OF YOUR BOARD,
EXPLANATORY STATEMENT &
NOTICE OF REQUISITIONED MEETING**

TIME OF REQUISITIONED MEETING: 11:00am (Brisbane time)

DATE OF REQUISITIONED MEETING: Monday, 4 January 2016

PLACE OF REQUISITIONED MEETING: Link Market Services
Level 15, 324 Queen Street
Brisbane QLD 4000

**This Meeting has been requisitioned by one member pursuant to section 249D of the Corporations Act.
If you have any questions in relation to this Requisitioned Meeting, please contact
Justin Pettett, the Managing Director on +61 7 3371 1103.**

RECOMMENDATIONS OF YOUR BOARD

The Board urges you to read the Notice of Requisitioned Meeting and Explanatory Statement in its entirety.

If you are unable to attend the Requisitioned Meeting the Board encourages you to participate by appointing a proxy who can vote on your behalf at the Requisitioned Meeting.

Your Board unanimously recommends:

You vote AGAINST Resolutions 1, 2 and 3, being the appointment of each of Geoff Barnes, Don Beard and John Zetzman as Directors, none of whom are involved in the oversight, management nor operations of the Company.

In addition, **your Board unanimously recommends:**

You vote AGAINST Resolutions 4, 5, 6 and 7, being resolutions proposing the removal of your current Directors George Lloyd, Justin Pettett, Timothy Ryan Messer and Daniel Joseph Lanskey.

THE SAMPLE PROXY FORM ON THE OPPOSITE PAGE SHOWS HOW TO FILL OUT YOUR PROXY FORM AS RECOMMENDED BY YOUR BOARD

IF YOU WISH TO VOTE AS RECOMMENDED BY YOUR CURRENT BOARD, YOU SHOULD SIMPLY VOTE **AGAINST** ALL 7 RESOLUTIONS BEING PUT TO THE EGM.

THE CHAIRMAN OF THE MEETING WILL VOTE ALL UNDIRECTED PROXIES **AGAINST** ALL RESOLUTIONS.

LODGE YOUR VOTE

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
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
 Telephone: +61 1300 554 474



X999999999999

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 you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am on Monday, 4 January 2016 at Link Market Services, Level 15, 324 Queen Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies AGAINST each item of business.

STEP 2

VOTING DIRECTIONS
 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

Resolutions	For	Against*	Abstain*	For	Against*	Abstain*
1 Appointment of Geoff Barnes as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5 Removal of Justin Pettett as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 Appointment of Don Beard as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6 Removal of Timothy Ryan Messer as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Appointment of John Zetzman as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7 Removal of Daniel Joseph Lanskey as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Removal of George Lloyd as director	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) 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).



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 Requisitioned Meeting to be held at Link Market Services Limited, Level 15, 324 Queen Street, Brisbane QLD 4000 at 11:00am (Brisbane time) on Monday, 4 January 2016.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether to vote against, for, or abstain from voting for the Resolutions. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding how to vote upon each of the Resolutions as proposed by Evo Fund (the Requisitioning Shareholder).

All of the Resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

The 249D Requisition

1. On 4 November 2015, the Company received a notice from the Requisitioning Shareholder requiring the directors convene a general meeting of the Company to consider and vote on:
 - a. The appointment of Geoff Barnes as a Director;
 - b. The appointment of Don Beard as a Director;
 - c. The appointment of John Zetzman as a Director;
 - d. The removal of George Lloyd as a Director;
 - e. The removal of Justin Pettett as a Director;
 - f. The removal of Timothy Ryan Messer as a Director; and
 - g. The removal of Daniel Joseph Lanskey as a Director.
2. The Requisitioning Shareholder, who can cast at least 5% of the votes that may be cast at the general meeting is entitled to request such a meeting under the Corporations Act.
3. The costs of calling and holding the Requisitioned Meeting are required to be met by the Company.
4. In accordance with the requirements of section 249D of the Corporations Act, the Directors have convened a meeting to be held on Monday, 4 January 2016 to consider the resolutions.
5. Shareholders should note that the meeting is not being convened voluntarily by the Board and the resolutions to remove the incumbent directors and appoint the three nominated directors have not been proposed by your Board.
6. In addition, the Requisitioning Shareholder has requested a statement be distributed to all shareholders pursuant to section 249P of the Corporations Act. This statement, together with other correspondence received from the Requisitioning Shareholder is distributed at the cost of the Company and is attached in Annexure A.

About the Requisitioning Shareholder

7. As at the date of this notice, the Requisitioning Shareholder holds (through its nominee, BNP Paribas Nominees Pty Ltd) 52,579,776 Shares, representing approximately 5.22% of Shares on issue. On 17 November 2014, Evo Fund lodged a Notice of Initial of Substantial Holder with ASX (in respect of 53,159,782 shares representing approximately 5.86% of Shares on issue).

STATEMENT BY THE BOARD OF PRYME ENERGY LIMITED

Introduction

On 4 November 2015 Pryme Energy Limited received a notice on behalf of shareholder Evo Fund (the Requisitioning Shareholder) requisitioning that a general meeting of the Company be held and that the existing Board of Pryme be replaced by nominees of the Requisitioning Shareholder. That notice and other correspondence was accompanied by a Section 249P notice which is attached in Annexure A and sets out the Requisitioning Shareholder's reasons for proposing that the Board be replaced in its entirety.

The principal reasons stated for the Requisitioned Meeting are that over the past 10 years the Company has suffered significant capital destruction and that, over this 10 year period, the total remuneration received by the Directors and Management is nearly twice the current market capitalisation of the Company.

By way of background, as far as the Company is aware, the Requisitioning Shareholder first invested in the Company in July 2014 at a price of 1 cent per share. At the time of the Requisitioning Shareholder's investment, the Company had successfully exited the very costly Turner Bayou Project in Louisiana and had commenced a recapitalisation of the business and a new start. The first new Project to be acquired and developed by the Company was the Capitola Oil Project in Texas.

Over the past 18 months, notwithstanding a substantial global decline in the prices of oil and gas in the intervening period, Pryme's Board Directors and Management have recapitalised the Company, acquired new projects in areas of high potential, drilled wells, increased production, increased net cash flow, increased reserves and reduced operating costs. In addition, and in response to the prolonged difficult market conditions, the Company has also streamlined its project portfolio by successfully disposing of its interest in the Raven Project for A\$6.5 million, and settling all obligations with respect to the Turner Bayou Project.

The Board and Management are focused on disciplined capital management while preserving the appropriate flexibility to pursue growth opportunities which will create value for shareholders. The Board and Management have intimate knowledge, experience and connections regarding Pryme's current projects - we expect that this will translate into building value for our shareholders.

Pryme today: position and performance

Since the commencement of the Capitola Oil Project in the Permian Basin in Texas, in the first half of 2014, and the acquisition of its initial interest in the Newkirk Project in the Mississippi Lime in Oklahoma, in mid-2015, Pryme has increased its attributable 1P and 2P oil and gas reserves from 176,000 barrels of oil equivalent (BOE) at 1 January 2015 to 4,126,000 BOE at 1 July 2015. In addition, acreage acquired at the Newkirk Project since 1 July 2015 is expected to lead to an increase in 2P Reserves attributable to that Project and a revised reserves report is in preparation. **The Capitola Oil Project in particular has the potential for additional reserves through further exploration and through acreage acquisitions.**

Over this same period, the Company has also increased oil and gas production from an average of 25 BOE per day in the December quarter of 2014 to 129 BOE per day in the September quarter of 2015.

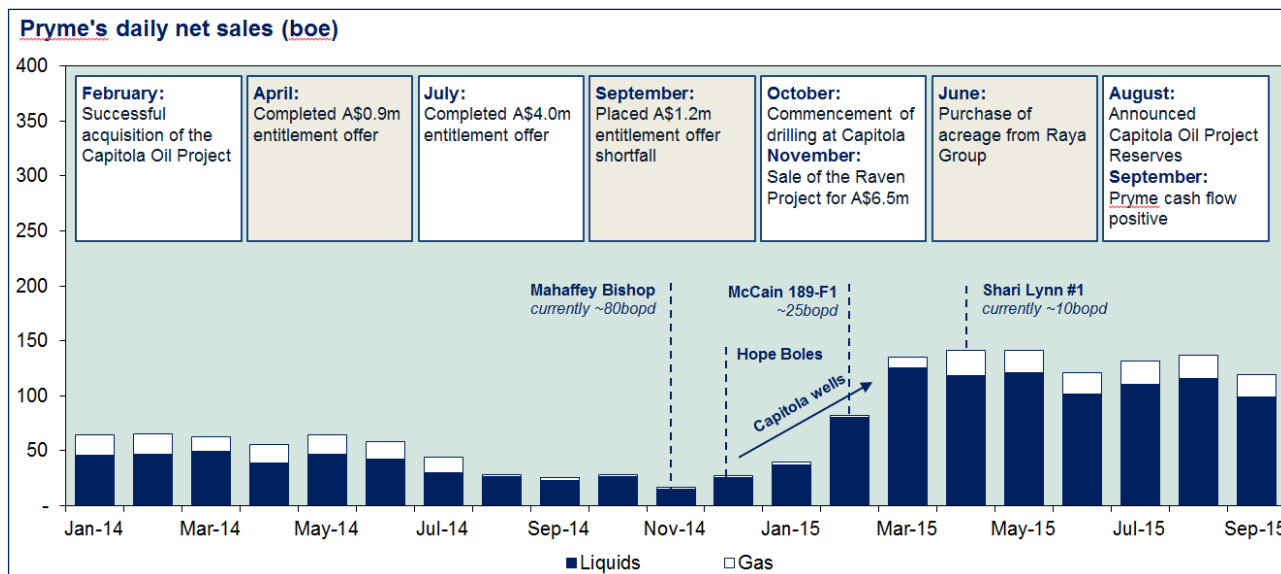
In the current low oil price environment, your Management team has also significantly reduced costs by reducing salaries and eliminating discretionary expenditures. In addition, it has continued to evaluate value-adding strategies such as expanding the acreage under its control in the Newkirk Project and exploring the prospects for releasing cash from the Capitola Oil Project while securing free carried additional exploration and development at that Project.

In summary, over the past 18 months, your Board and Management have placed the Company in a position such that:

- It is cash flow positive at current oil prices and production rates
- Its cash flows are underpinned by its production of oil and gas
- It has an enviable cash position for a junior oil and gas company (A\$3.2 million at 31 October 2015)
- It has significantly increased proved and probable reserves
- Its two flagship projects have considerable potential for expansion and increasing Pryme’s share of oil and gas production

Growing production and delivering on strategy

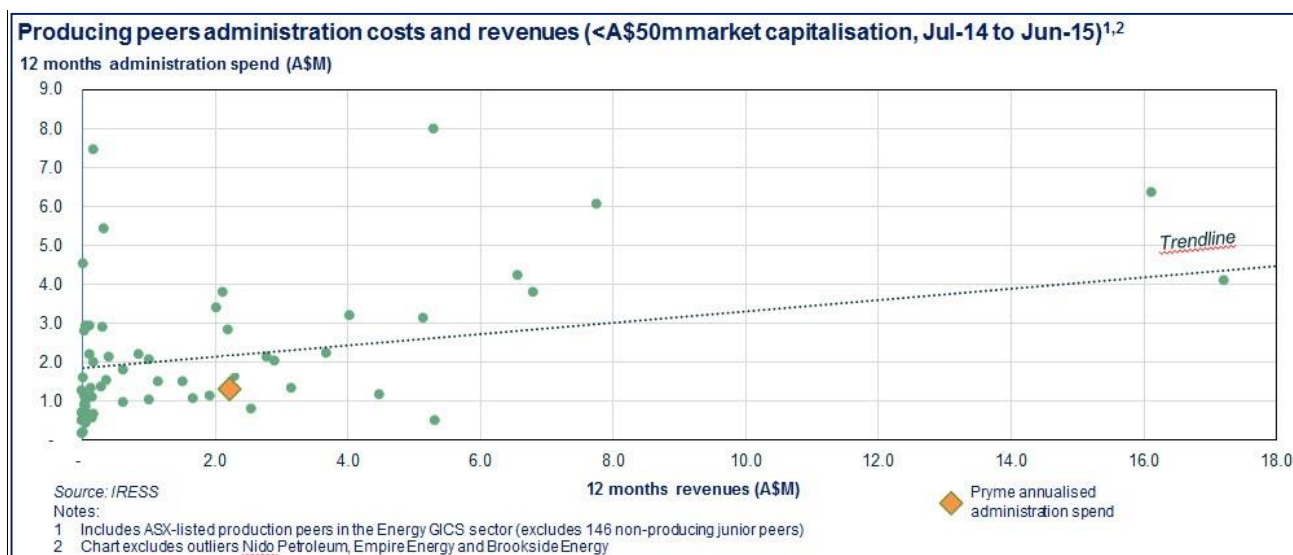
The following chart illustrates the operational deliverables since the beginning of 2014 in terms of increasing oil and gas production as well the successful implementation of strategies to grow the business in a challenging oil and gas price environment. These achievements have placed the Company in a cash flow positive position, delivered a major increase in reserves and provided significant upside potential in its two flagship projects. Production rose significantly during this period, peaking at 140 BOE per day and averaging 129 BOE per day net for the September quarter of 2015 (108 Bbls of oil and 125 Mcf of natural gas per day).



Reducing costs to become cash flow positive

Over the past 12 months, the Board and Management have reduced salaries and fees, eliminated discretionary expenditure and reduced overheads to become cash flow positive. This has included cash salary reductions of 32% by the two executive directors, Justin Pettett and Ryan Messer and the Chairman, George Lloyd. **The Board remains focussed on tightly controlling costs to reflect market conditions and placing the Company in a strong position for the future.**

The following chart illustrates cash costs versus revenue relative to Pryme’s ASX listed peers comprising 185 companies in the Energy GICS Sector with market capitalisation of less than \$50 million for the year ended 30 June 2015. Based on Pryme’s current administration spend, of the 185 comparable companies, Pryme is one of only 23 companies producing maintainable revenue and one of only 16 companies with revenue in excess of cash operating costs. This demonstrates that the Company outperforms more than 92% of comparable companies with respect to prudent cost management and that its costs are materially below the average of comparable ASX listed peers in the GICS Energy Sector.



Significant Reserves growth through 2015

From 1 January 2015 to 1 July 2015, Pryme increased its 1P and 2P Reserves by more than 2,200% through the successful exploration of the Capitola Oil Project, with 1P plus 2P Reserves of 1,126 MBOE at 1 July 2015, and the acquisition of the Newkirk Project with 2P Reserves of 2,866 MBOE at 1 July 2015 – see the following tables.

At 1 January 2015*, #						
Proved Reserves (1P)			Probable Reserves (2P)			Total
Oil (MBO)	Natural Gas (MMCF)	Oil Equiv. (MBOE)	Oil (MBO)	Natural Gas (MMCF)	Oil Equiv. (MBOE)	Oil Equiv. (MBOE)
175	0	175	2	0	2	176

At 1 July 2015**, #						
Proved Reserves (1P)			Probable Reserves (2P)			Total
Oil (MBO)	Natural Gas (MMCF)	Oil Equiv. (MBOE)	Oil (MBO)	Natural Gas (MMCF)	Oil Equiv. (MBOE)	Oil Equiv. (MBOE)
455	502	537	1,957	9,963	3,590	4,127

* As outlined in the 2014 Annual Report lodged with ASX on 31 March 2015.

** As outlined in the Capitola Oil Project Reserves announcement lodged with the ASX on 13 August 2015 and the Investor Presentation Project Update and Reserves lodged with the ASX on 18 September 2015.

For the purposes of Chapter 5 of the ASX Listing Rules, the Company is not aware of any new information or data that materially affects the information included in either the 31 March 2015, 13 August 2015 or 18 September 2015 announcements, and that all the material assumptions and technical parameters underpinning the estimates in the respective announcements continue to apply and have not materially changed.

Furthermore, the acreage at the Newkirk Project under lease to Pryme has been increased by 75% since 1 July 2015 taking the total project acreage under Pryme's control to 4,049 acres; a reserves report is in preparation to provide a revised estimate of the 2P reserves under Pryme's control at the Newkirk Project.

Conserving cash to maintain a healthy cash balance while pursuing growth strategies

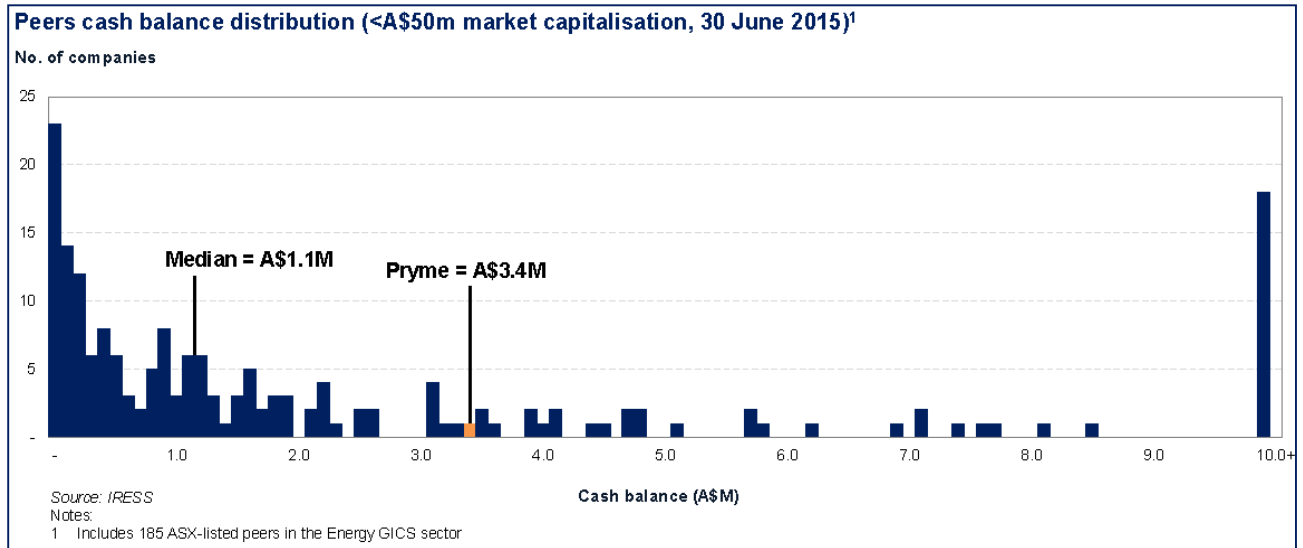
The Board and Management continue to evaluate strategies to strengthen the business and maintain a healthy cash balance as well as generate opportunities to resourcefully grow the business during this period of weak global commodity prices.

For example, discussions are currently underway with a number of private exploration and production companies with a view to bringing a partner with operational expertise and investment capital into the Capitola Oil Project to release cash through the sale of an interest in current production and to accelerate field development at the

expense of the incoming party. Success in these discussions would result in lowering exploration risk exposure while capturing ongoing value for shareholders.

As mentioned above, the Company has recently taken advantage of the current low acreage acquisition costs by expanding the Newkirk Project to 4,049 net acres. It is expected that the additional leases will contribute to an increase in 2P reserves.

At the end of the June 2015 quarter, among its 185 ASX-listed peer's in the Energy GICS Sector with a market capitalisation of less than A\$50 million, Pryme's cash balance is in the top 25%. Pryme predominantly holds its cash in US\$ which naturally hedges against any fluctuation in the Australian Dollar.



In conclusion:

- **Moving into 2016, your current Board and Management intend to strategically add acreage to its Newkirk Project and intends to consider drilling at Newkirk once commodity prices settle above US\$50 per barrel.**
- **In the Capitola Oil Project, the current Board and Management are focused on attracting the best financial terms and structure possible from potential development partners.**
- **Your current Board and Management, all of whom are shareholders, remain dedicated to realising maximum value for each shareholder through development of the Company's projects coupled with a firm commitment to tight cost control.**

INFORMATION ABOUT EACH OF THE REQUISITIONED RESOLUTIONS

Specific information about each of the Resolutions is as follows:

Resolution 1 – Appointment of Mr Geoff Barnes as a Director

The proposed appointment of Mr Geoff Barnes has been made pursuant to section 249D of the Corporations Act.

Mr Barnes is not currently involved in the oversight, management nor operations of the Company.

Biographical details of Mr Barnes may be found in Annexure A.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 2 – Appointment of Mr Don Beard as a Director

The proposed appointment of Mr Don Beard has been made pursuant to section 249D of the Corporations Act 2001.

Mr Beard is not currently involved in the oversight, management nor operations of the Company.

Biographical details of Mr Beard may be found in Annexure A.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 3 – Appointment of Mr John Zetzman as a Director

The proposed appointment of Mr John Zetzman has been made pursuant to section 249D of the Corporations Act.

Mr Zetzman is not currently involved in the oversight, management nor operations of the Company.

Biographical details of Mr Zetzman may be found in Annexure A.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 4 – Removal of Mr George Lloyd as a Director

Mr Lloyd has more than 30 years' senior management and listed company board experience in the resources and energy sectors with a focus on business development, corporate strategy, mergers and acquisitions and exploration management.

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 also a graduate of the Stanford Executive Program, Stanford University, California. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australasian Institute of Mining and Metallurgy.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 5 – Removal of Mr Justin Pettett as a Director

Mr Pettett is the founder of Pryme and has over twenty years' experience at a Managing Director level of start up to medium sized businesses, the last fourteen specifically in the U.S. oil and gas industry.

Mr Pettett has successfully raised over \$50 million in direct equity and US\$200 million in debt for various companies and projects over the past fourteen years. He has funded, managed and drilled over 180 wells throughout North America including wells drilled in the Middle Wilcox oil trend in Central Louisiana, deep horizontal Austin Chalk in Louisiana, CBM in Oklahoma and various oil and gas wells throughout Texas.

Mr Pettett has widespread experience and knowledge from a field level through to the board room covering many facets of the energy industry including acquisitions and development, financial analysis, business development, investor relations, capital aggregation and financial and administrative management.

Mr Pettett is an associate member of the American Association of Petroleum Geologists and a member of the Australian Institute of Company Directors.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 6 – Removal of Mr Timothy Ryan Messer as a Director

Mr Messer has over fourteen years of executive management level experience in oil and gas exploration and production. His main focus has been in the area of oil and gas production economics and risk management, managing field and land rig operations as well as certain engineering based operations gained from operating several mid-sized US oil and gas projects across multiple basins.

Of the 185 tests of which he has been involved, 100 of them were within the Middle Wilcox oil trend, where over 50% were successful completions. He served as President and COO for a startup exploration company in 2004 which grew to 500 BOPD and was sold less than two years later to a private local operator for a substantial gain. During that time, he ran the operating company of a CBM development play in the Cherokee Platform, Oklahoma and the building of its gas production and associated midstream infrastructure. Most recently he managed operations for a 25,000 acre project in the Austin Chalk trend, its associated 80 square mile seismic survey acquisition and the drilling of several 19,000' horizontal chalk wells.

Mr Messer graduated with a degree in Business Administration (BS BA), majoring in Marketing and Finance. He continues his education in the petroleum sector in the areas of engineering and economics from courses given at engineering schools such as the Colorado School of Mines.

Mr Messer co-founded Pryme.

The Directors recommend Shareholders vote AGAINST this resolution.

Resolution 7 – Removal of Mr Daniel Joseph Lanskey as a Director

Mr Lanskey holds a post graduate Business Degree from Griffith University. He has over 10 years' experience in the energy industry and from 2006 until January 2014 was a founding Managing Director of AusTex Oil (ASX: AOK) (OTCQX: ATXDY), and successfully led AusTex through the acquisition of acreage in Oklahoma's Mississippian Lime formation and establishment of production exceeding 1,000 barrels per day of oil.

At AusTex, Mr Lanskey oversaw the initial public listing on the Australian Securities Exchange and subsequent listing on the OTCQX and TSXV and was integral in all capital raising undertaken by the Company. Prior to the oil and gas industry he was involved in the Information Technology industry both in Australia, Asia and North America.

The Directors recommend Shareholders vote AGAINST this resolution.

NOTICE OF REQUISITIONED MEETING

Notice is given that an Extraordinary General Meeting (**EGM or Requisitioned Meeting**) of shareholders of Pryme Energy Limited (**Pryme or the Company**) will be held at 11:00am (Brisbane time) on Monday, 4 January 2016 at Link Market Services Limited, Level 15, 324 Queen Street, Brisbane QLD 4000.

This Requisitioned Meeting has been requested pursuant to section 249D of the Corporations Act 2001 (Cth) by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund (**Requisitioning Shareholder**).

The Explanatory Statement to this Notice of Requisitioned Meeting provides additional information on the matters to be considered at the EGM. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. The Requisitioning Shareholder has also provided a statement pursuant to section 249P of the Corporations Act and this statement accompanies the Notice of Requisitioned Meeting.

The Resolutions to be considered at the Requisitioned Meeting as proposed by the Requisitioning Shareholder is as follows:

Resolution 1: Appointment of Geoff Barnes as a Director

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

“That, Geoff Barnes is appointed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to pages 5 to 8 for their comment on this Resolution.**

Resolution 2: Appointment of Don Beard as a Director

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

“That, Don Beard is appointed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to pages 5 to 8 for their comment on this Resolution.**

Resolution 3: Appointment of John Zetzman as a Director

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

“That, John Zetzman is appointed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to pages 5 to 8 for their comment on this Resolution.**

Resolution 4: Removal of George Lloyd as a Director

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

“That, George Lloyd be removed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to pages 5 to 8 for their comment on this Resolution.**

Resolution 5: Removal of Justin Pettett as a Director

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

“That, Justin Pettett be removed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to pages 5 to 8 for their comment on this Resolution.**

Resolution 6: Removal of Timothy Ryan Messer as a Director

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

“That, Timothy Ryan Messer be removed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to Pages 5 to 8 for their comment on this Resolution.**

Resolution 7: Removal of Daniel Joseph Lanskey as a Director

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

“That, Daniel Joseph Lanskey be removed as a director of the Company with immediate effect.”

(Note: This Resolution has been proposed by Mr Richard Chisholm in his capacity as a director of Evo Investment Advisors Ltd, for and behalf of Evo Fund in accordance with section 249D of the Corporations Act 2001 (Cth)).

The Directors unanimously recommend you vote **AGAINST this Resolution and refer you to Pages 5 to 8 for their comment on this Resolution.**

By order of the Board on 23 November 2015, as requested by the Requisitioning Shareholder pursuant to section 249D of the Corporations Act 2001 (Cth).



Swapna Keskar, Company Secretary, Pryme Energy Limited

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 7:00pm (Brisbane time) on Saturday, 2 January 2016 will be entitled to attend and vote at the Requisitioned 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 Saturday, 2 January 2016, being 48 hours before the General Meeting. Proxies must be received before that time by one of the following methods:

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

Shareholders should note that only proxy forms issued by the Company or by Link Market Services Limited (Link) as agent of the Company will be deemed to be valid. Proxy forms issued by the Company or by Link will:

- have your name and address as recorded in the Company's share register;
- have your unique Securityholder Reference Number (SRN) or your unique Holder Identification Number (HIN); and
- be barcoded – this bar code will enable Link to identify the number of shares held by the SRN or the HIN as the case may be.

The Board reserves its absolute and unfettered discretion to declare any proxy form not issued by the Company or by Link as invalid without the need for further enquiry.

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 Saturday, 2 January 2015, being 48 hours before the General Meeting.

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.

Questions

Should any shareholder have a question concerning the business of the Meeting, please contact Justin Pettett, the Managing Director, on +61 7 3371 1103.

ANNEXURE A

Please refer to the following pages, which includes the correspondence received by the Company from Evo Fund (the Requisitioning Shareholder) on 4 November 2015 with the exception of the consents to act as directors of the Company for each Messers Barnes, Beard and Zetzman, which the Company has withheld given the personal details contained within.

Dear Mr Lloyd,

Please find attached the following documents for Prime Energy Pty Ltd:

1. 249 Letter to Prime Energy Pty Ltd
2. Cover Letter Prime Energy Pty Ltd
3. Letter to Shareholder
4. 3 x Letters of consent for Directors – Barnes, Beard and Zetzman

Thank you

Evo Fund

c/o Evo Investment Advisors Ltd.
2425 Olympic Boulevard, Suite 120E, Santa Monica CA, 90404 United States
Fax: +1310-315-8881

27 October 2015

Pryme Energy Ltd ACN 117 387 354
Level 7, 320 Adelaide Street
BRISBANE QLD 4000

**By Registered Post by receipt
Copied by ordinary prepaid post
Also by facsimile: (07) 33711105**

Dear Sirs,

RE: Requisition of Shareholders Meeting for Pryme Energy Ltd

We, being shareholders of Pryme Energy Ltd (the "**Company**"), hereby give notice of an intention to move the resolutions marked 4, 5, 6 and 7 below to remove the directors named in these resolutions at a general meeting of the Company pursuant to section 203D of the *Corporations Act 2001*(Cth).

We hereby request that pursuant to section 249D of the *Corporations Act 2001* (Cth) the directors of the Company call and arrange to hold a general meeting of the Company to consider and vote on the resolutions as set out below:

1. "That Mr Geoff Barnes be appointed as a director of the Company with immediate effect."
2. "That Mr Don Beard be appointed as a director of the Company with immediate effect."
3. "That Mr John Zetzman be appointed as a director of the Company with immediate effect."
4. "That in accordance with section 203D of the *Corporations Act 2001* (Cth) Mr George Lloyd be removed as a director of the Company with immediate effect."
5. "That in accordance with section 203D of the *Corporations Act 2001* (Cth) Mr Justin Pettett be removed as a director of the Company with immediate effect."
6. "That in accordance with section 203D of the *Corporations Act 2001* (Cth) Mr Timothy Ryan Messer be removed as a director of the Company with immediate effect."

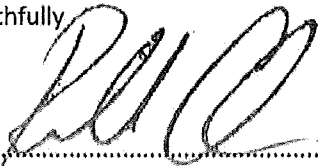
7. "That in accordance with section 203D of the *Corporations Act* 2001 (Cth) Mr. Daniel Joseph Lanskey be removed as a director of the Company with immediate effect."

Copies of consents to act as directors signed by, Mr. Geoff Barnes, Mr. Don Beard, and Mr. John Zetzman are *enclosed* with this letter.

We hereby request that pursuant to section 249P of the *Corporations Act* 2001(Cth) the Company give to all of its members the *enclosed* letter from Mr. Richard Chisolm.

We hold at least 5% of the votes that may be cast at a general meeting of the Company.

Yours faithfully

 Richard Chisolm, Director

Signature

For and on behalf of EvoFund
c/o Evo Investment Advisors Ltd. 2425 Olympic Boulevard, Suite 120E, Santa Monica CA, United States 90404

For Evo Fund/ Evo Investments Advisors Ltd letterhead if available or if not holding shareholder name, address and contact details to be included

October 2015

Pryme Energy Ltd ACN 117 387 354
Level 7, 320 Adelaide Street
BRISBANE QLD 4000

**By Registered Post by receipt
Copied by ordinary prepaid post
Also by facsimile: (07) 3371 1105**

Dear Sirs,

RE: Requisition of Shareholders Meeting for Pryme Energy Ltd

The Evo Fund and Evo Investment Advisors Ltd (Holding entity to be confirmed) (#is a/are) substantial shareholder(s) of Pryme Energy Ltd ("**Company**").

Enclosed is a request pursuant to section 249D of the *Corporations Act* 2001 (Cth) that the directors of the Company call and arrange to hold a general meeting of the Company to consider and vote on the resolutions as set out therein.

We further **enclose** the following documentation:

1. Notice of Intention to move resolution for removal of directors;
2. Letter from myself which we request the Company provide to all of its members pursuant to section 249P of the *Corporations Act* 2001(Cth); and
3. Copies of consents to act as directors signed by Mr Geoff Barnes, Mr Don Beard and Mr John Zetzman.

Yours faithfully

##SIGNED BY EVO FUND/EVO INVESTMENTS ADVISORS LTD (NOTE: CORRECT HOLDING ENTITY TO BE IDENTIFIED)

Dear Fellow Shareholder,

We have requisitioned a meeting of Pryme Energy Shareholders so that you may be allowed the opportunity to vote for a fresh start after many years of capital destruction.

Over the last 10 years the Pryme share price has collapsed from a high \$0.87/share to the current low of \$0.005/share. Indeed since the company listed in April 2006 at \$0.20/share, our company has lost over 95% of its value.

During this period, Directors and Management total remuneration has been in excess of \$11 million, an amount that is nearly twice the current market capitalisation of the Company.

So we propose a new start with new directors including seasoned oil and gas professionals and businessmen who have a record of wealth creation.

We propose removing all existing directors and replacing them with three:

Mr Don Beard

Mr Beard is a petroleum geologist and one of Australia's most successful energy company executives. After commencing his career at Union Oil Company of California he later became CEO of ASX listed Peko Oil (taken over by Santos), then was the Managing Director of Cultus Petroleum from 1990 – 1999 and more recently was Chairman of Molopo Energy from 2001-2011. At each of these ASX listed companies he was responsible for generating substantial shareholder value.

Mr Geoff Barnes

Mr Barnes is a founder and director of Peleton Capital ("Peleton"). At Peleton he is responsible for equity markets and stock broking operations, introducing corporate transactions, and personally manages a select group of Sophisticated Investor clients. Before founding Peleton in June 2011, Mr. Barnes was employed for 9 years at Macquarie Private Wealth (Sydney) as an Investment Advisor then Division Director where he specialised in all commercial aspects of bringing projects to market, especially in the oil and gas sector.

Mr John Zetzman

John Zetzman is a senior Dallas based oil and gas executive with over thirty years of experience in the oil and gas industry. Mr. Zetzman has managed producing oil and gas properties in Fisher County (near Sweetwater, Texas), Nolan and Hardeman Counties, Texas, Appalachia and Kansas. As Co-Founder and CEO of Foree International, LLC, Mr. Zetzman assembled and managed a team of drilling engineering and geological professionals to evaluate and drill oil and gas wells in the US, Europe and Africa. Mr. Zetzman earned a BS in International Trade at Texas Tech University and an MBA from Thunderbird School of Global Management. Mr. Zetzman is a member of The American Association of Petroleum Geologists (AAPG), The Association of International Petroleum Negotiators (AIPN).

The new board will review the current business plan, the capital plan as well as a detailed technical assessment of all existing assets. It will seek to create value through both existing assets and, where appropriate, new upstream energy assets.

Yours faithfully,

Richard Chisolm

LODGE YOUR VOTE

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
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
 Telephone: +61 1300 554 474



X999999999999

PROXY FORM*

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

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 you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (Brisbane time) on Monday, 4 January 2016 at Link Market Services, Level 15, 324 Queen Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies AGAINST each item of business.

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Appointment of Geoff Barnes as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Removal of Justin Pettett as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Appointment of Don Beard as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Removal of Timothy Ryan Messer as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of John Zetzman as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Removal of Daniel Joseph Lanskey as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Removal of George Lloyd as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	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).

STEP 3

* Please see overleaf for important information.



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM AND IMPORTANT INFORMATION

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 PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

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.

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; and
- (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 or online at www.linkmarketservices.com.au.

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 (Brisbane time) on Saturday, 2 January 2016**, 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

* During business hours (Monday to Friday, 9:00am–5:00pm)

VALIDITY

Only proxy forms issued by the Company or by Link Market Services Limited (Link) as agent of the Company will be deemed to be valid.

Proxy forms issued by the Company or by Link will:

- have your name and address as recorded in the Company's share register;
- have your unique Securityholder Reference Number (SRN) or your unique Holder Identification Number (HIN); and
- be barcoded – this bar code will enable Link to identify the number of shares held by the SRN or the HIN as the case may be.

The Board reserves its absolute and unfettered discretion to declare any proxy form not issued by the Company or by Link as invalid without the need for further enquiry.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**