



3 December 2010

## Non-Renounceable Rights Issue Update

Pryme Oil and Gas Limited (**Pryme**) refers to the non-renounceable rights issue announced on 31 August 2010 and offered to eligible shareholders on 20 September 2010 (**Rights Issue**).

Pryme advises that the Rights Issue closed on 30 November 2010 with applications for 16,408,539 ordinary shares received for total subscribed funds of \$1,312,683.12. On 17 November 9,789,488 of those ordinary shares were allotted to Rights Issue subscribers. The balance of the Rights Issue, 6,619,051 ordinary shares (**New Shares**), will be allotted on 6 December 2010.

The Rights Issue shortfall was 8,597,878 ordinary shares (**Shortfall Shares**). The Directors expect to place the Shortfall Shares by 9 December 2010 as allowed under Exception 3 of ASX Listing Rule 7.2. The placement of Shortfall Shares does not require shareholder approval.

The issued capital of Pryme after the allotment of the New Shares and the Shortfall Shares will be 225,057,754 fully paid ordinary shares.

The Directors wish to thank shareholders for their participation in the Rights Issue and their continued support.

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**ASX Code:** PYM

**OTCQX Code:** POGLY

*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).*