



22 July 2014

Rights Issue Raises \$4 million Drilling to begin Mid-September

Pryme Energy Limited (Pryme or the Company) advises that the renounceable rights issue announced on 30 June 2014 (Rights Issue) closed on 17 July 2014 raising \$4 million which is mainly targeted for Pryme's Capitola Oil project in Texas. Drilling in Capitola is scheduled to begin mid-September with the drilling of the first two wells. Both wells will intersect all three primary targets, the Cline Shale, the Canyon Sands and the Breckenridge Lime.

Existing shareholders subscribed for 60,499,843 new shares (New Shares) and 30,249,935 options (Options), to raise A\$604,998, and the underwriters to the issue, Patersons Securities Limited, will subscribe for an additional 339,500,157 New Shares and 169,750,078 Options bringing total funds raised, before expenses, to \$4 million. There were 116,681,534 shortfall shares and 58,340,767 options under the Rights Issue.

The Company is also pleased to announce that it has received entitlement forms for the 46,245,422 shares offered under the Adjusting Offer detailed in the Prospectus (Adjusting Offer).

New Shares and Options will be allotted to Rights Issue and the (non-Director) Adjusting Offer participants on 23 July 2014 and transaction confirmation statements will be dispatched to shareholders subscribing the Rights Issue and the Adjusting Offer by 24 July 2014.

The Directors thank all shareholders who participated in the Rights Issue and note that this new funding will be applied to the Company's Capitola Oil Project located in the Permian Basin, Texas USA and working capital and to pay the costs of the Rights Issue.

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