



PRYME OIL AND GAS LIMITED

ABN 75 117 387 354

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (EST)

DATE: 17 April 2007

PLACE: The Oak Room
Level 4
The Brisbane Club
241 Adelaide Street
Brisbane QLD

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9489 7010.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Pryme Oil and Gas Limited to which this Notice of Meeting relates will be held at 10.30am (EST) on 17 April 2007 at:

The Oak Room
Level 4
The Brisbane Club
241 Adelaide Street
Brisbane QLD

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Pryme Oil and Gas Limited, GPO Box 111, Brisbane QLD 4001; or
- (b) by facsimile to the Company on facsimile number (+61 7) 3371 1105,

so that it is received not later than 10.30am (EST) on 15 April 2007.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM**) of the shareholders of Pryme Oil and Gas Limited (**Pryme**) will be held at 10.30am (EST) on Tuesday, 17 April 2007 at The Oak Room, Level 4, The Brisbane Club, 241 Adelaide Street, Brisbane, Queensland.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the AGM are those who are registered Shareholders of the Company at 7.00pm (EST) on Sunday 15 April 2007.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 31 December 2006 together with the declaration of the directors, the directors' report, the remuneration report and auditor's report.

Unless Pryme's Share Registry has been notified otherwise, each shareholder will have received an Annual Report which contains the Financial Report for the year ended 31 December 2006.

Questions and Comments

Following the consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of Pryme.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by Pryme in relation to the preparation of the financial statements;
and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit.

A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

1. RESOLUTION 1: ELECTION OF MR JOHN DICKINSON

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, Mr John Dickinson, being a Non-Executive Director of Pryme, retires pursuant to clause 13.2 of the Constitution of Pryme and being eligible, is hereby elected as a Non-Executive Director of Pryme.”

2. RESOLUTION 2 – ELECTION OF MR RYAN MESSER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, Mr Ryan Messer, being an Executive Director of Pryme, retires pursuant to clause 13.2 of the Constitution of Pryme and being eligible, is hereby elected as an Executive Director of Pryme.”

3. RESOLUTION 3 – ELECTION OF MR ANANDA KATHIRAVELU

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, Mr Ananda Kathiravelu, being a Non-Executive Director of Pryme, retires pursuant to clause 13.2 of the Constitution of Pryme and being eligible, is hereby elected as a Non-Executive Director of Pryme.”

4. RESOLUTION 4 - ELECTION OF MR PHILIP JUDGE

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, Mr Philip Judge, being a Non-Executive Director of Pryme, retires pursuant to clause 13.2 of the Constitution of Pryme and being eligible, is hereby re-elected as a Non-Executive Director of Pryme.”

5. RESOLUTION 5 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **advisory resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act, the Remuneration Report for the year ended 31 December 2006 (set out in the Directors’ Report) is adopted.”

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Section 236B(1)(a) of the Corporations Act, Moore Stephens, of Level 25, 71 Eagle Street, Brisbane, Queensland, 4000, be appointed as Auditors of Pryme.”

7. RESOLUTION 7 – RATIFICATION AND APPROVAL OF ISSUE OF OPTIONS TO MCCM PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 166,667 Options to purchase fully paid ordinary shares in the Company, to MCCM Pty Ltd, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by MCCM Pty Ltd and any of its associates.

8. RESOLUTION 8 – RATIFICATION AND APPROVAL OF ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the issue of 2,333,333 Options to purchase fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue of the Options and any of their associates.

9. RESOLUTION 9 – RATIFICATION AND APPROVAL OF ISSUE AND ALLOTMENT OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, the Company ratifies the issue of 3,000,000 Options to purchase fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice”.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any party who stands to gain from the vote and any associates.

DATED: 13 MARCH 2007

BY ORDER OF THE BOARD

**PRYME OIL AND GAS LIMITED
MATTHEW FOGARTY
COMPANY SECRETARY**

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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 Annual General Meeting to be held at The Oak Room, The Brisbane Club, Level 4 241 Adelaide Street Brisbane QLD 10.30am (EST) on 17 April 2007.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the AGM.

1. RESOLUTION 1: ELECTION OF MR JOHN DICKINSON

Since this is the first Annual General Meeting after incorporation, in accordance with Clause 13.2 of the Pryme Constitution, Mr John Dickinson retires and being eligible, offers himself for election as a Non-Executive Director.

Mr Dickinson was appointed as a Director of Pryme on 1 December 2005. He is currently Chairman of the Board.

Mr Dickinson graduated from Tulane University with a degree in Business Administration and has 31 years experience in energy sector drilling, completions, production operations and project finance, primarily in the areas of oil, natural gas, coal bed methane resource development, gas gathering, gas compression, gas transmission and project finance of combustion-turbine power plants. He has also been involved in the co-development of four electric power projects in the U.S, integrated with the development of natural gas as fuel. Mr Dickinson has been published several times in industry journals and has recently represented venture capital funds in London, Connecticut and Hong Kong in the investigation of new drilling technologies developed in the U.S.

The Directors, with Mr Dickinson abstaining, recommend Shareholders vote in favour of this Resolution.

2. RESOLUTION 2 – ELECTION OF MR RYAN MESSER

Since this is the first Annual General Meeting after incorporation, in accordance with Clause 13.2 of the Pryme Constitution, Mr Ryan Messer retires and being eligible, offers himself for election as an Executive Director.

Mr Messer was appointed as a Director of Pryme on 1 December 2005.

Mr. Messer graduated from the University of Central Florida, with a Bachelor of Business majoring in Marketing and Finance. He has 10 years of experience in international corporate business, the last five years being in the energy sector, managing field operations and assisting in the formation of an evaluation team for prospects. He has been directly involved in the drilling and development of over 124 wells spread across five states throughout North America. His expertise is in the area of project management, research and design, partner relationship development, asset allocation and risk assessment, investment and company management and corporate strategic direction.

Mr. Messer is President and co-founder of the Sterling Energy Group of Companies and also holds directorships for the following public and private affiliated companies:

- (a) Arkoma Wilcox Limited;
- (b) Sterling Energy Group Inc.; and
- (c) Northern Alliance Energy Inc.

The Directors, with Mr Messer abstaining, recommend Shareholders vote in favour of this Resolution.

3. RESOLUTION 3 – ELECTION OF MR ANANDA KATHIRAVELU

Since this is the first Annual General Meeting after incorporation, in accordance with Clause 13.2 of the Pryme Constitution, Mr Ananda Kathiravelu retires and being eligible, offers himself for election as a Non-Executive Director.

Mr Kathiravelu was appointed as a Director of Pryme on 1 December 2005.

Mr Kathiravelu holds a Bachelor of Business and a Graduate Diploma of Applied Finance and Investment. He is also an associate of the Securities Institute of Australia. He has over 15 years experience in the financial services funds management and stockbroking industries. His areas of expertise include corporate advice, capital raising, mergers and acquisitions with primary focus on the small cap and emerging business sectors.

Mr. Kathiravelu also holds directorships in the following ASX listed companies:

- (a) First Capital Group Limited (11 December 2001 – current) (Executive Chairman); and
- (b) Transit Holdings Limited (listed 18 December 2006) (10 August 2006 – current) (Non-Executive Chairman).

The Directors, with Mr Kathiravelu abstaining, recommend Shareholders vote in favour of this Resolution.

4. RESOLUTION 4 - ELECTION OF MR PHILIP JUDGE

Since this is the first Annual General Meeting after incorporation, in accordance with Clause 13.2 of the Pryme Constitution, Mr Philip Judge retires and being eligible, offers himself for election as a Non-Executive Director.

Mr Judge was appointed as a Director of Pryme on 25 September 2006.

Mr Philip Judge has been involved in international business for more than 20 years and has extensive commodities experience having worked in, researched, written and lectured on the base and precious metals and commodities markets for more than a decade. He has worked as a trustee, investment strategy advisor and researcher with numerous qualified sophisticated investors and private venture capitalists worldwide. Mr Judge became involved in the oil and gas industry in 2004 in his capacity as director of the Anglo Energy Company. He has also founded and together with a dedicated team, built and managed a successful Australian television production and media services company.

Mr Judge is also been involved with the following companies:

- (a) Founding director of The Anglo Far-East Company, an international gold and silver trading and custodial company;
- (b) Director of Anglo Energy Company; and
- (c) Founding member of the Panama Association of International Precious Metals Dealers.

The Directors, with Mr Judge abstaining, recommend Shareholders vote in favour of this Resolution.

5. RESOLUTION 5 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires the Remuneration Report be adopted by Shareholders (by an advisory resolution).

The Remuneration Report (**Report**) is contained in Company's 2006 Annual Report. The Report:

- (a) sets out remuneration details for each Director (there being no named Executives); and
- (b) discusses the Board policy for determining the remuneration of Directors and the relation between such policy and Pryme's performance.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

The Directors recommend Shareholders vote in favour of this Resolution.

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

Under section 327A of the Corporation Act, an auditor that has been appointed by the directors of a public company from the initial period of registration of the company holds office until the company's first AGM.

Moore Stephens was appointed auditor of Pryme on 25 January 2006. In accordance with section 227B(1) of the Corporations Act, Pryme seeks approval for the re-appointment of Moore Stephens as auditor of Pryme.

Moore Stephens has consented to act as auditor of the Company.

The Directors recommend Shareholders vote in favour of this Resolution.

7. RESOLUTIONS 7 & 8 - RATIFICATION AND APPROVAL OF ISSUE OF OPTIONS TO MCCM PTY LTD AND OTHERS

Resolutions 7 and 8 seek ratification for the previous issue of:

- (a) 166,667 Options to MCCM Pty Ltd; and
- (b) 2,333,333 Options as part of a placement to sophisticated and professional investors announced to the ASX on 11 September 2006.

Background

As part of a placement to sophisticated investors (**Placement**) and offer to MCCM Pty Ltd pursuant to a prospectus dated 20 September 2006 (**MCCM Offer**), Pryme issued a total of 2,500,000 free attaching Options on the basis of 2 Options for every 3 Shares issued under the Placement and the MCCM Offer.

The Company now seeks shareholder ratification for having issued those 2,500,000 Options granted under the Placement and the MCCM Offer.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required in the next 12 months without shareholder approval.

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue of the Options:

- (a) the total number of Options granted was 2,500,000 Options;
- (b) the Options were issued on the terms outlined in the table below and otherwise on the standard terms outlined in Annexure A:

	No. of Options	Exercise Price per Option	Expiry Date
MCCM Offer	166,667	40 cents	30 June 2008
Placement	2,333,333	40 cents	30 June 2008

- (c) the Options were granted to:
 - (i) in the case of the 166,667 Options, MCCM Pty Ltd, (which is not a related party of Pryme) pursuant to the MCCM Offer; and
 - (ii) in the case of the balance of 2,333,333 Options, sophisticated and professional investors arranged by First Capital Corporate Limited pursuant to the Placement. No related parties participated in the Placement.
- (d) no funds were raised from the issue of the Options as they were issued as free attaching Options as part of the Placement and MCCM Offer.

The Directors recommend Shareholders vote in favour of Resolutions 7 & 8.

8. RESOLUTION 9 – RATIFICATION AND APPROVAL OF ISSUE AND ALLOTMENT OF OPTIONS

Resolution 9 seeks ratification of the previous issue of 3,000,000 Options to Yokine Capital Pty Ltd.

ASX Listing Rule 7.4

A summary of ASX Listing Rules 7.1 and 7.4 is set out above.

Ratification by the shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required in the next 12 months without shareholder approval.

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue of the Options:

- (a) the total number of Options issued was 3,000,000 Options;
- (b) the Options were issued on the terms outlined in the table below and otherwise on the standard terms outlined in Annexure A:

	No. of Options	Exercise Price per Option	Expiry Date
Yokine Capital Pty Ltd	3,000,000	40 cents	30 June 2008

- (c) the Options were issued to Yokine Capital Pty Ltd in consideration for its involvement with assisting Pryme in making the Placement and in addition to payment of a 5% commission. None of these Options were provided to related parties of Pryme; and
- (d) no funds were raised from the issue of the Options as the Options were issued pursuant to the terms of the Placement for the allottee's services in assisting with the Placement.

GLOSSARY

Annual General Meeting or **Meeting** means the annual general meeting of the Company convened by the Notice.

Board means the board of directors of the Company.

Company means Pryme Oil and Gas Limited (ABN 75 117 387 354).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement to the Notice.

Notice and **Notice of Meeting** means the notice of general meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share, on the terms and conditions set out in Annexure A to the Explanatory Statement.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

ANNEXURE A

Terms and conditions of options

The options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- (a) The Options will expire at 5.00pm Australian Eastern Standard Time on 30 June 2008 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (c) The exercise price payable upon exercise of each Option will be \$0.40 Australian (Exercise Price).
- (d) All or part of the Options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will apply for quotation of the Options on ASX.
- (j) The Company will also apply for quotation by ASX of all Shares allotted pursuant to the exercise of Options within 10 Business Days after the date of allotment of those Shares.
- (k) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any Options, the number of Options to which an Option holder is entitled or the Exercise Price of the Options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (l) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (m) There are no participating rights or entitlements inherent in the Options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of the proposed issue notice of the new issue will be given to optionholders at least ten (10) business days before the record date. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

**PROXY FORM
APPOINTMENT OF PROXY
PRYME OIL AND GAS LTD ABN 75 117 387 354**

Appointment of Proxy
Pryme Oil and Gas Ltd ABN 75 117 387 354

I/We

being a Member of Pryme Oil and Gas Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at the Oak Room, Level 4, The Brisbane Club, 241 Adelaide Street, Brisbane, Queensland on the 17th of April 2007 at 10.30am (EST) and at any adjournment thereof.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Election of Mr John Dickinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Ryan Messer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Ananda Kathiravelu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Philip Judge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Issue of Options to MCCM Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In relation to Resolutions 1 through 9, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on this Resolution, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on Resolutions 1 through 9 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman intends to vote in favour of this Resolution.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM IN RELATION TO THE RESOLUTION WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this _____ day of _____ 2007

By:

Individuals and joint holders Companies (affix common seal if appropriate)

PRYME OIL AND GAS LTD
ABN 75 117 387 354

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form and send the proxy form:

by post to

Pryme Oil and Gas Limited
GPO Box 111
Brisbane QLD 4001

or

by facsimile to the Company on facsimile number **(+61 7) 3371 1105**

PROXY FORMS RECEIVED LATER THAN 10.30AM (EST) ON 15 APRIL 2007 WILL BE INVALID.