



16 November 2010

Early Issue of shares under the Rights Issue

Pryme Oil and Gas Limited (Pryme or the Company) 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 it has already received applications for shares under the Rights Issue from a number of shareholders, including Pryme's Directors, Chief Financial Officer and the Company's two major shareholders, Belmont Park Investments Pty Limited and Panorama Ridge Pty Limited, all of whom have applied for their full entitlement to shares.

The Company intends to allot shares on all applications and cleared funds received under the Rights Issue as at 5.00pm (AEST) on Tuesday 16 November 2010. The shares will be allotted on Wednesday 17 November 2010.

The Rights Issue otherwise remains open, in accordance with the announcement made on 1 November 2010, **until 5.00pm (AEST) on 30 November 2010**, unless extended.

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

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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).