



23 July 2014

Completion of Renounceable Rights Issue and Appendix 3B

Pryme Energy Limited (Pryme or the Company) refers to the renounceable rights issue announced on 30 June 2014 and offered to eligible shareholders on 8 July 2014 (Rights Issue).

Pryme advises that 60,499,843 fully paid ordinary shares and 30,249,935 free attaching options were allotted and issued today, 23 July 2014, to Eligible Shareholders who applied for shares under the Rights Issue.

Pryme has also allotted and issued 33,586,412 fully paid ordinary shares to the non-director participants under the Adjusting Offer under the Rights Issue today, 23 July 2014

Attached is an Appendix 3B seeking quotation of the above 94,086,255 fully paid ordinary shares and 30,249,935 free attaching options.

The issued share capital of Pryme after the allotment and issue of the above shares is 438,540,245 fully paid ordinary shares and 30,249,935 free attaching options.

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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ASX Code: PYM

OTCQX Code: POGLY

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Pryme Energy Limited

ABN

75 117 387 354

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares
(b) Free attaching Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 60,499,843 Fully paid ordinary shares
(b) 30,249,935 free attaching Options
(c) 33,586,412 Fully paid ordinary shares issued under the Adjusting Offer to the participants of the March 2014 rights issue offer (other than Directors and their related parties) |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) & (c) Fully paid ordinary shares
(b) The free attaching Options will convert on a one-for-one basis with an exercise price of 2 cents exercisable at any time prior to 5:00pm (AEST) on 23 July 2016. |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p>	<p>(a) & (c) Yes, the fully paid ordinary shares issued will rank equally with the existing class of fully paid ordinary shares traded under the code PYM.</p> <p>(b) No, the free attaching Options will not rank equally with the existing class of quoted securities. The Options will comprise a new class of security to be quoted on ASX.</p>
<p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
<p>5 Issue price or consideration</p>	<p>(a) Rights Issue: 1 cent per share</p> <p>(b) Options: Nil consideration</p> <p>(c) Adjusting Offer: No subscription price (recipients paid 2 cents per share under the March 2014 Rights Issue)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised from the Rights Issue and upon exercise of the Options will be used to:</p> <p>(a) fund the Capitola Oil Project;</p> <p>(b) provide general working capital; and</p> <p>(c) pay the costs of the Rights Issue offer process including the underwriting fee.</p> <p>Please refer to the Prospectus lodged with ASX on 30 June 2014 for further information.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>23 April 2014</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>2,500,000 on 16 April 2014 33,586,412 on 23 July 2014</p>

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	60,499,843 Fully paid ordinary Shares with free 30,249,935 attaching options issued under the Rights Issue under Exception 1 of Listing Rule 7.2 (pro-rata issue).
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>As per Annexure 1, post issue, the issue capacity is as follows:</p> <ul style="list-style-type: none"> • Listing Rule 7.1: 11,622,652 fully paid ordinary shares • Listing Rule 7.1A: 40,245,383 fully paid ordinary shares.
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>(a) Rights Issue: 23 July 2014</p> <p>(b) Options: 23 July 2014</p> <p>(c) Adjusting Offer*: Participants of the March 2014 rights issue (other than directors and their related parties): 23 July 2014</p> <p><i>*The Adjusting Offer shares are being issued on 23 July 2014 as per the Renounceable Rights Issue Prospectus Timetable. The Notice of EGM lodged on 30 June 2014 to seek shareholder approval has an incorrect date of 6 August.2014.</i></p>

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	438,540,245	Fully paid ordinary shares
	30,249,935	Options expiring 23 July 2016

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Nil	-

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None
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Part 2 - Bonus issue or pro rata issue

Items 11 to 33 are not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

Items 38 to 42 are not applicable.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 23 July 2014
(Director)

Print name: JUSTIN PETTETT

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	289,708,568
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <ul style="list-style-type: none"> 60,499,843 (Issued on 23 July 2014 under the Rights Issue announced on 30 June 2014) 44,845,422 (Issued under the March 2014 Rights Issue on 16 April 2014) 1,400,000 (Issued under the March 2014 Rights Issue on 4 June 2014) • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <ul style="list-style-type: none"> 6,000,000 (Issued to vendors of the Capitola Oil Project on 14 March 2014 and refreshed by shareholders at the Annual General Meeting 23 April 2014) • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	402,453,833

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	60,368,074
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>2,500,000 fully paid ordinary shares issued on 16 April 2014</p> <p>33,586,412 fully paid ordinary shares issued on 23 July 2014 under the Adjusting Offer to the participants of the March 2014 rights issue offer (other than Directors and their related parties)</p> <p>12,659,010 fully paid ordinary shares agreed to be issued under Adjusting Offer to Directors and their related parties who participated in the March 2014 rights issue</p>
“C”	48,745,422
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	60,368,074
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	48,745,422
Total [“A” x 0.15] – “C”	11,622,652 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	402,453,833
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	40,245,383
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	0

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	40,245,383
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	40,245,383 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.