



19 April 2006

Mr Gonzalo Valencia
Australian Stock Exchange Limited
Level 3, Stock Exchange Centre
530 Collins Street
MELBOURNE VIC 3000

Dear Sir

PRYME OIL AND GAS LIMITED – RESTRICTED SECURITIES

We refer to your letter to Steinepreis Paganin dated 5 April 2006 setting out the requirements that Pryme Oil and Gas Limited (**Pryme**) must satisfy prior to listing on Australian Stock Exchange Limited (**ASX**).

We confirm that:

- (a) 10,134,000 fully paid ordinary shares in Pryme will be escrowed for 24 months from the date of official quotation of shares of Pryme; and
- (b) 3,300,000 fully paid ordinary shares in Pryme will be escrowed for 12 months from the date of issue of the shares.

Yours faithfully

A handwritten signature in black ink, appearing to read "JPettett", is written over a light grey rectangular background.

Justin Pettett
Managing Director
Pryme Oil and Gas Limited