



**ASX Announcement / Media release**

**11 September 2006**

## **Pryme to Raise up to \$5.6 Million in Placement**

Pryme Oil and Gas Limited (ASX Code: PYM), a fast-growing Australian oil and natural gas producer and explorer operating in the U.S., is pleased to announce that it has arranged to place up to 14,000,000 shares with sophisticated and professional investors both in Australia and overseas.

The shares will be placed at \$0.40 per share with two free attaching options for every three shares subscribed exercisable at \$0.40 on or before the 30 June 2008 to raise gross funds of up to \$5.6 million ("Placement Shares").

The funds raised from the issue will be used to fund the shooting and subsequent processing of up to 80 square miles (51,200 acres) of 3-D seismic data in Pryme's 3-D seismic Project in South Central Louisiana, named Turner Bayou. In addition, capital raised will be used to fund the ongoing leasing, acquisition and ancillary 2-D and 3-D seismic in the Wave Exploration Joint Venture Projects.

"The capital from this placement will fund the next phase of Pryme's growth, building on our existing producing assets in LaSalle Parish," Pryme Chief Executive Justin Pettett said. "We're grateful for the continuing support of our shareholders in helping us successfully complete this capital raising as we enter another exciting phase of Pryme's growth."

Post allotment of the Placement Shares, Pryme's expanded share capital will comprise of 68,737,363 shares; 5,000,000 options exercisable at 20 cents on or before 30 June 2008 and 9,333,333 options exercisable at 40 cents on or before 30 June 2008. The Placement Shares will comprise 17.36% of the expanded share capital if all of the 14,000,000 shares are taken up.

### **Entitlement Issue of Options**

As announced on 28 July 2006, Pryme intends to issue a Prospectus shortly for the pro rata offer of options to shareholders of Pryme on the basis of 1 option for every 3 shares held on the record date of 29 September 2006 at an issue price of 5 cents per option. The Directors would also like to advise that the exercise price for the options will be 40 cents on or before the 30 June 2008 and that they will be applying to the ASX for quotation of these options.

Pryme Oil and Gas Limited is a fast-growing Australian oil and natural gas producer and explorer with interests in the U.S., the world's biggest oil market. The company has an exceptional suite of exploration projects focused in Louisiana, the fifth-largest oil-producing state in the U.S. These projects are funded in part by existing cash flow. Pryme's management team has a total of almost 50 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 John Dickinson (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).

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