



Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

9 September 2009

Dear Sirs

Section 708AA(2)(f) Notice

Pryme Oil & Gas Limited (*Pryme*) refers to the announcement made on 26 August 2009 regarding a private placement and a non-renounceable rights issue (*Rights Issue*). In accordance with the timetable included with that announcement, Pryme intends to make the offer under the Rights Issue on 10 September 2009.

Pryme hereby notifies ASX under section 708AA(2)(f) of the Corporations Act 2001 (*Corporations Act*) that:

1. Pryme will offer shares under the Rights Issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. As at the date of this announcement, Pryme has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Pryme; and
 - (b) section 674 of the Corporations Act.
3. As at the date of this announcement, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Pryme; or
 - (ii) the rights and liabilities attaching to the new Shares.
4. The Rights Issue will not have any material effect on the control of Pryme. The capital structure before the Rights Issue and the potential structure after the Rights Issue is set out below:

Issued Shares	Number of Shares
Total issued capital of Pryme at the record date for the rights issue	127,715,241
Number of new Shares offered under the Rights Issue including any shortfall shares and subject to rounding	51,086,096
Total issued capital of Pryme at completion of Rights Issue assuming maximum number of new Shares under the Rights issue are issued	178,801,337



The Directors have reserved the right to offer any shortfall under the Rights Issue in accordance with Listing Rule 7.2 Exception 3.

The substantial shareholders, J R Energy Pty Limited and BPI Energy Pty Limited have each advised that they intend to participate in the Rights Issue to the extent necessary to maintain their respective voting power at or about their pre-placement levels of 14.33% and 14.93%.

Investors should note the following:

- (a) If particular eligible shareholders do not take up all of their entitlements under the offer, the shareholding interests of those eligible shareholders will be diluted;
- (b) The proportional interests of shareholders with registered addresses outside Australia and New Zealand will be diluted because those shareholders are not entitled to participate in the Rights Issue;
- (c) Based on current intentions as advised to Pryme of the substantial shareholders, JR Energy Pty Limited and BPI Energy Pty Limited, the maximum percentage shareholding of any existing shareholder after the Rights Issue will not exceed 20%.

Yours sincerely,

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

Justin Pettett
Managing Director

For further information please contact:

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Pryme Oil and Gas Limited is an 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 on 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 over 75 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), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).