



PRYME ENERGY LIMITED
ABN 75 117 387 354
NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (Melbourne time)

DATE: Wednesday, 18 May 2016

PLACE: Piper Alderman Lawyers
Level 24
385 Bourke Street
Melbourne VIC 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please contact the Chairman on +61 3 9642 2899.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM**) of the Shareholders of Pryme Energy Limited (**Pryme** or the **Company**) will be held at 10.00am (Melbourne time) on Wednesday 18 May 2016 at Piper Alderman Lawyers, Level 24, 385 Bourke Street, Melbourne, VIC 3000.

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the AGM. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 31 December 2015.

Unless the Company's Share Registry has been notified otherwise, Shareholders have not been sent a hard copy of the Annual Report. All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2015, on the Company's website (www.prymeenergy.com); go to "Announcements and Reports" and then "Annual Reports".

Following consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

B. ITEMS FOR APPROVAL

Election of Directors

To consider, and if thought fit, to pass the following as separate Ordinary Resolutions:

1. Mr Stephen Mitchell is elected as a director.
2. Mr Donald Beard is elected as a director.
3. Mr Ray Shorrocks is elected as a director.

4. Ratification of shares issued

To consider and, if thought fit, pass the following as an Ordinary Resolution of the Company:

*"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 100,000,000 shares on 1 July 2015 to Raya Group Limited (**Raya**) as consideration for the Purchase and Sale Agreement with Raya, on the terms as described in the Explanatory Statement which forms part of this Notice of Meeting."*

5. Increase in capacity to issue securities under Listing Rule 7.1A

To consider and, if thought fit, pass the following as a Special Resolution of the Company:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum be approved."

Resolution 5 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 5 must be in favour of the resolution.

6. Change of Company name

To consider and, if thought fit, to pass the following as a Special Resolution of the Company:

“That, in accordance with section 157(1) of the Corporations Act 2001 (Cth), the name of the Company be changed from Pryme Energy Limited to Indago Energy Limited with effect from 18 May 2016.”

Resolution 6 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 6 must be in favour of the resolution.

7. Share Consolidation

To consider and, if thought fit, pass the following as an Ordinary Resolution of the Company:

‘That, in accordance with section 254H of the Corporations Act 2001 (Cth) and ASX Listing Rules 7.20 and 7.22, the issued capital of the Company be consolidated on the basis of every ten (10) Shares being consolidated into one (1) Share, and if a fraction of a Share is held by a Shareholder, the Directors of the Company be authorised to round that fraction up to the nearest whole Share, and the Options and Management Options being adjusted in accordance with the consolidation, as set out in the Explanatory Memorandum, with the consolidation to take effect on a date to be announced to the ASX in accordance with the requirements of the ASX Listing Rules.’

8. Approval of Issue of Options to Mr Stephen Mitchell

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That, conditional upon Resolution 1 being approved, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to issue Mr Stephen Mitchell (or his nominee) 20,000,000 options in the capital of the Company, the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

9. Approval of Issue of Options to Mr Donald Beard

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That, conditional upon Resolution 2 being approved, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to issue Mr Donald Beard (or his nominee) 15,000,000 options in the capital of the Company, the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

10. Approval of Issue of Options to Mr Ray Shorrocks

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That, conditional upon Resolution 3 being approved, for the purposes of ASX Listing Rule 10.11, the Company be authorised to issue Mr Ray Shorrocks (or his nominee) 15,000,000 options in the capital of the Company, the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

11. Remuneration Report

To consider and, if thought fit, to pass the following as an Advisory Resolution of the Company:

“That, the Company’s Remuneration Report for the financial year ended 31 December 2015 (set out in the Directors’ Report) be adopted.”

The Remuneration Report is set out in the 2015 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth), the vote on this resolution is advisory only, and does not bind the Directors or the Company.

VOTING RESTRICTIONS AND EXCLUSION STATEMENTS

Resolution 4

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by Raya Group Limited and any of its associates.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 8 by Mr Stephen Mitchell (or his nominees) and any associates of Mr Stephen Mitchell or his nominees.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on Resolution 8 as a proxy by a member of the Key Management Personnel (**KMP**) at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 9

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 9 by Mr Donald Beard (or his nominees) and any associates of Mr Donald Beard or his nominees.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on Resolution 9 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman

of the Meeting because the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 10

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 10 by Mr Ray Shorrocks (or his nominees) and any associates of Mr Ray Shorrocks or his nominees.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on Resolution 10 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 11

A vote on Resolution 11 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a member of the KMP whose remuneration details are included in the 2015 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 11 as a proxy if the vote is not cast on behalf of a person described above and either:

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- the vote is cast by the chair of the meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the *Corporations Act 2001*.

Proxy Voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all items. The voting exclusions in Resolutions 4, 5, 8, 9, 10 and 11 do not apply to the Chairman of the Meeting acting as proxy, if their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Pryme Energy Limited.

By order of the Board

Swapna Keskar
Company Secretary
11 April 2016

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Melbourne time) on 16 May 2016 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 10.00am (Melbourne time) on 16 May 2016, being 48 hours before the AGM. Proxies must be received before that time by one of the following methods. The Company reserves the right to declare invalid any proxy not received in this manner.

- | | |
|---------------|--|
| By online | At https://investorcentre.linkmarketservices.com.au
Login to the Link website using the details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online voting facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form). |
| By post: | Pryme Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 |
| By facsimile: | In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309 |
| By delivery: | Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 |

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (Melbourne time) on 16 May 2016, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act 2001 (Cth). The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

Shareholder questions

If you wish to put a question to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Company Secretary at keskar@companymatters.com.au. To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00pm (Melbourne time) 11 May 2016.

Questions submitted in writing to the Company Secretary will be put to the Chairman or Auditor at the Board's discretion.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the AGM to be held at Piper Alderman Lawyers, Level 24, 385 Bourke Street, Melbourne, VIC 3000 at 10.00am (Melbourne time) on Wednesday 18 May 2016.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions at the AGM.

RESOLUTION 1: ELECTION OF DIRECTOR – MR STEPHEN MITCHELL

Mr Stephen Mitchell was appointed as a director of the Company on 12 January 2016, and later as Executive Chairman on 4 February 2016. In accordance with clause 13.4 of the Company's Constitution, Mr Mitchell retires and, being eligible, offers himself for election as a Director.

Mr Mitchell has a Masters Degree in International Economics and Foreign Policy from John Hopkins University in Washington DC. following which he spent 10 years as a natural resources specialist at investment banks and advisory firms in the US and Australia. From 1999-2011 Stephen was the Managing Director of Molopo Energy Ltd, an ASX-listed oil and gas company that held assets in Australia, Canada, USA, China, India and South Africa. Under his stewardship, Molopo generated a 10 fold increase in shareholder value and expanded its market capitalisation from less than \$1 million into an ASX 200 company.

Mr Mitchell was a founder and Chairman of ASX-listed Petrel Energy until retiring from the board in January 2015. He is a partner of Mitchell Peterson Capital Partners, a Melbourne based corporate advisory firm. He is a director of several private companies including Lowell Resources Funds Management Pty. Ltd.

The Directors, with Mr Mitchell abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 2: ELECTION OF DIRECTOR – MR DONALD BEARD

Mr Donald Beard was appointed as an Independent Non-Executive Director of the Company on 12 January 2016. In accordance with clause 13.4 of the Company's Constitution, Mr Beard retires and, being eligible, offers himself for election as a Director.

Mr Beard is a petroleum geologist and one of Australia's most successful energy company executives. He has over 45 years' experience in both the domestic and international oil and gas businesses, with 37 of those years holding senior management or Board positions. He has a First Class Honours Degree in Geology and Mineralogy and commenced his career at Union Oil Company of California, later becoming a VP of Exploration for the Diamond Shamrock Corporation. He then returned to Australia to become CEO and Managing Director of ASX listed Peko Oil (taken over by Santos), then was the Managing Director of Cultus Petroleum from 1990 – 1999 and more recently was Chairman of Molopo Energy from 2001-2011. At each of these ASX listed companies he was responsible for generating substantial shareholder value.

Mr Beard is the founder and a current Director of the private entity Aldena Pty Ltd.

The Directors, with Mr Beard abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 3: ELECTION OF DIRECTOR – MR RAY SHORROCKS

Mr Ray Shorrocks was appointed as a Non-Executive Director of the Company on 12 January 2016. In accordance with clause 13.4 of the Company's Constitution, Mr Shorrocks retires and, being eligible, offers himself for election as a Director.

Mr Shorrocks has more than 20 years' experience in corporate finance and has advised a diverse range of mining and resource companies during his career at Patersons Securities Limited, one of Australia's largest full service stockbroking and financial services firms. He has been instrumental in managing and structuring equity capital raisings as well as having advised extensively in the area of mergers and acquisitions.

Mr Shorrocks also holds directorships in the following ASX listed companies:

- Draig Resources Limited (Appointed 24 December 2015)

- Estrella Resources Limited (Appointed 1 July 2015)
- Galilee Energy Limited (Appointed 2 December 2013)

The Directors, with Mr Shorrocks abstaining, unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 4: RATIFICATION OF SHARES ISSUED WITHOUT SHAREHOLDER APPROVAL

On 29 June 2015, the Company announced the acquisition of 2,230 net acres in an oil rich region of the Mississippian Lime in Oklahoma. The acreage was acquired from ASX-listed Raya Group Limited (ASX:RYG) (**Raya**). The consideration comprised 100 million fully paid ordinary Pryme shares and A\$250,000 cash. In addition, conditional consideration of A\$175,000 was payable in respect of each of the first two wells in the event of the gross 1P reserves from each well certified, within six months after the commencement of production from the second well, to be equal to or greater than 31 thousand barrels of oil (Mbo) and 200 million cubic feet of natural gas (MMcf).

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities within any twelve month period. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with shareholder approval for the purpose of Listing Rule 7.1.

Accordingly, Resolution 4 is seeking ratification for the issue of 100,000,000 shares which were issued to Raya on 1 July 2015 without Shareholder approval. The issue of these shares was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting that Shareholders ratify the issue of the shares the subject of Resolution 4 for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- 100,000,000 fully paid ordinary shares were issued in total.
- The shares were issued for nil financial consideration, as part consideration for a Purchase and Sale Agreement with Raya.
- The shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares.
- The shares were issued to Raya.
- No funds were raised, however the shares were issued as part consideration for a Purchase and Sale Agreement for the purchase of US acreage and interest held by Raya's subsidiary OP1 Corp.
- A Voting Exclusion Statement is set out in the Notice of Meeting.

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

RESOLUTION 5: INCREASE IN CAPACITY TO ISSUE SECURITIES

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue (**10% Placement Facility**) by way of placements over a 12 month period (**10% Placement Period**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- has a market capitalisation of \$300 million or less; and
- is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will also satisfy both these criteria at the date of the AGM.

Accordingly, Resolution 5 is seeking approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Statement, which forms a part of the Notice of Meeting.

At the date of this Notice, the Company has on issue 1,007,380,397 fully paid ordinary shares. If Resolution 5 is approved, the Company will have the capacity to issue:

- i) 36,107,059 equity securities under ASX Listing Rule 7.1; and
- ii) 90,738,040 equity securities under ASX Listing Rule 7.1A.

If Resolution 4 above (ratification of shares issued to Raya) and Resolution 5 are approved, the Company will have the capacity to issue:

- i) 151,107,059 equity securities under ASX Listing Rule 7.1; and
- ii) 100,738,039 equity securities under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 5 will be to allow the Directors to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Information Required by ASX Listing Rule 7.3A

The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or
- (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.

If Resolution 5 is approved by shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued, including:

- (a) the market price for the equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date, or the equity securities may be issued as part consideration for the acquisition of a new asset,

which may have any effect on the amount of funds raised by the issue of the equity securities.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the closing market price as at 18 March 2016 of the Company's ordinary shares and the current number of ordinary securities for Variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2.

The table also shows:

- two examples where Variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue ¹	Dilution			
	Issue price (per Share)	\$0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.012 100% increase in Issue Price
1,007,380,397 (Current)	10% voting dilution	100,738,039	100,738,039	100,738,039
	Funds raised	\$302,214	\$604,428	\$1,208,856
1,511,070,595 (50% increase)	10% voting dilution	151,107,059	151,107,059	151,107,059
	Funds raised	\$453,321	\$906,642	\$1,813,284
2,014,760,794 (100% increase)	10% voting dilution	201,476,079	201,476,079	201,476,079
	Funds raised	\$604,428	\$1,208,856	\$2,417,712

The table has been prepared on the following assumptions:

- (i) Resolutions 4 and 5 are approved.
- (ii) The Company issues the maximum number of ordinary shares available under the 10% Placement Facility.
- (iii) No Options or Management Options (including any options issued under the 10% Placement Facility) are exercised into ordinary shares before the date of the issue of the equity securities under ASX Listing Rule 7.1A.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the meeting.
- (vi) The table shows only the effect of an issue of equity securities under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity available under ASX Listing Rule 7.1.
- (vii) The issue of equity securities under the 10% Placement Facility consists only of Shares.
- (viii) the issue price is \$0.006 being the closing price of the shares on ASX on 18 March 2016

If any of the ordinary shares being approved by this resolution are issued, they will be issued within 12 months of the date the AGM i.e. by 18 May 2017 and the approval being sought by this resolution will cease to be valid if ordinary shareholders approve a transaction under ASX Listing Rules 11.1.2 or 11.2 prior to 18 May 2017.

The Company may seek to issue the equity securities for the following purposes:

- i) cash consideration. In such circumstances, the Company intends to use the funds raised towards working capital or acquisition of new assets or projects including expenses associated with such acquisition or identification, evaluation and, if warranted, the acquisition of working interests in new projects; the exploration cost of new projects; and the maintenance and, if warranted, further exploration of existing projects; and
- ii) non-cash consideration for the acquisition of new assets and projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of any equity securities that may be issued (subject to shareholder approval of Resolution 5) have not been determined as at the date of this Notice, but may include existing shareholders as well as new shareholders who are not related

¹ Variable A in Listing Rule 7.1A.2

parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- i) the methods of raising funds that are available to the Company (including but not limited to, rights issue or other issues in which existing shareholders can participate), while balancing interest from potential allottees with the interests of existing shareholders;
- ii) the effect of the issue of the equity securities on the control of the Company; allocation will be subject to takeover thresholds;
- iii) the financial situation and solvency of the Company and its projected need for working capital at any given time; and
- iv) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or projects, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or projects.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any equity securities.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2014 Annual General Meeting held on 23 April 2014.

In the twelve months preceding the date of the 2016 AGM, the Company has issued a total of 100,000,000 equity securities, which represent 6.87% of the total number of equity securities on issue at the commencement of that 12 month period (being 18 May 2015).

Details of the issue of the above equity securities as required by ASX Listing Rule 7.3A.6(b) are as follows:

	Issue – 1 July 2015
Number of equity securities issued:	100,000,000
Class:	Fully Paid Ordinary shares
Persons to whom securities were issued and basis for issue:	Raya Group Limited
Price at issue:	Nil financial consideration
Discount to market price:	N/A
Total cash consideration:	Nil
Amount of cash spent:	N/A
Spent on:	N/A
Intended use for remaining cash:	N/A
Non-cash consideration:	Part consideration for the acquisition of the Mississippian Lime Acreage, Oklahoma from Raya Group Limited.
Current value of non-cash consideration:	\$600,000

A Voting Exclusion Statement is set out in the Notice of Meeting.

At the date of the Notice, the proposed allottees of any securities which may be issued in accordance with this resolution are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the securities which may be issued in accordance with this resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 5 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 5 must be in favour of the resolution.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 6: CHANGE OF COMPANY NAME

It is proposed that the name of the Company be changed to “Indago Energy Limited”.

The directors recommend the change of name as one of a series of steps (including new directors and a new capital structure) to demonstrate a clear break with the Company's past performance and a fresh start for the future.

Resolution 6 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 6 must be in favour of the resolution.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 7: SHARE CONSOLIDATION

Section 254H of the Corporations Act provides that a company may, by ordinary resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise Shareholders of certain matters, which are set out in this Explanatory Memorandum.

The Company has 1,007,380,397 Shares on issue (as at the date of this Notice of Meeting), constituting a market capitalisation of approximately \$6,044,282.238, assuming a Share price of \$0.006 (the Share price at closing on 18 March 2016). The Company also has 458,340,516 quoted Options, 22,684,510 quoted Management Options and 13,610,706 unquoted Management Options on issue.

The following table, which utilises the number of Shares on issue at the date of this Notice of Meeting, illustrates the possible impact of the consolidation on the Company's capital structure.

Consolidation basis (10:1)	Pre-consolidation	Post Consolidation
Total Shares on issue	1,007,380,397	100,738,039
Share price	\$0.006	\$0.06
Market capitalisation	\$6,044,282	\$6,044,282
Total Options on issue (see below)	494,635,732	49,463,573

The actual number of Shares post consolidation may vary depending upon the number of any Options exercised which may occur between the date of this Notice of Meeting and the date upon which the consolidation occurs.

Rational for the consolidation

This large number of Shares imposes a number of disadvantages on the Company, including:

- (a) negative perceptions associated with a low share price;
- (b) that, in having a large number of Shares on issue, the Company's price per Share is lower than comparable companies for reasons other than valuation;
- (c) precluding investment from institutional or foreign investors who may be reluctant or limited by their mandates from investing in securities with low share prices; and
- (d) administrative costs and inconvenience.

The Directors believe that a consolidation of the Shares would assist in dealing with these disadvantages and would enable a more appropriate share price for a listed entity of Pryme's size and market capitalisation.

Consolidation

The Directors propose to consolidate all of the Shares on issue on a 10 to 1 basis under section 254H of the Corporations Act. The practical effect of the consolidation will be that for each ten (10) Shares held, the Shareholder will hold one (1) Share post consolidation.

For example, if you held 10,000 Shares before the consolidation, you would hold 1,000 Shares after the consolidation, and the Company's Share price (all things being equal) will increase to reflect the consolidation and the smaller number of Shares on issue.

Whilst the consolidation involves the reduction of the number of securities on issue, it does not involve a return of capital to Shareholders. Accordingly, there is no direct impact on Pryme's market capitalisation or book value of paid up capital.

The consolidation will not affect the voting entitlements or percentage interests currently held by Shareholders, nor will it affect the value of the total parcel of Shares they hold, albeit the number will be smaller and the price per Share will be greater.

If the resolution is approved by Shareholders, the number of Shares on issue will be reduced by a ratio of ten to one Shares, subject to rounding.

Options post consolidation

The Company has a number of quoted and unquoted Options on issue which were issued in tranches with similar terms. In accordance with ASX Listing Rule 7.22, these Options will be consolidated on the same basis as the Shares: that is, every ten (10) Options will be consolidated into one (1) Option. The exercise price of the Options post consolidation will be amended in inverse proportion to the consolidation ratio: that is, the exercise price will be increased by a factor of ten (10).

An example based upon the number of Options on issue at the date of this Notice of Meeting is set out below and which shows the effect of the consolidation on the number and exercise price of the Options:

Expiry date	Pre-consolidation		Post Consolidation	
	Number	Exercise Price	Number	Exercise Price
23 July 2016	458,340,516	\$0.02	45,834,051	\$0.20
23 July 2016	22,684,510	\$0.02	2,268,451	\$0.20
23 July 2016	13,610,706	\$0.02	1,361,070	\$0.20

Rounding

Where any security holder has a holding which is not a multiple of ten (10) and would otherwise result in a fractional entitlement post consolidation, the Company proposes to round up that fractional holding to the next whole Share or Option (as the case may be).

Holding statements

From the date of the consolidation, all existing holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-consolidation basis. After the consolidation becomes effective, new holding statements will be issued to Shareholders. Shareholders are responsible for verifying their holding of Shares and Options after consolidation.

Taxation

The conversion of all of the Company's issued Shares into a smaller number of Shares, by consolidating them by a ratio of 10:1, does not give rise to a capital gains tax (CGT) event or immediate CGT consequences for Shareholders. The cost base for Shareholders of their original Shares will be allocated to the consolidated Shares, so that the total cost base of each Shareholder's holding will remain unchanged (though the relative cost base of each Share will notionally represent the cost base of ten (10) post consolidation Shares).

Shareholders are urged to seek their own tax and accounting advice on the implications of the consolidation for their particular circumstances. Neither the Company nor the Directors nor the Share Registry or other

advisers to the Company accept any responsibility or liability for the individual taxation (and accounting) implications arising from the consolidation.

Indicative timetable

The ASX Listing Rules require the Company to maintain an orderly market in its securities. To ensure as far as possible an orderly market in its securities if the share consolidation resolution is passed, it is anticipated that the following timetable will apply in the consolidation of the Company's securities.

Event	Business Day	Date
Passage of Resolution 7 at AGM. Company confirms Shareholder approval to ASX.	0	Wednesday 18 May 2016
Last day for trading in pre-reorganised securities.	1	Thursday 19 May 2016
Trading in the reorganised securities on a deferred settlement basis starts.	2	Friday 20 May 2016
Last day for Company to register transfers on a pre-reorganisation basis.	4	Tuesday 24 May 2016
First day for Company to send notice to each security holder; First day for Company to register securities on a post-reorganisation basis and first day for issue of holding statements.	5	Wednesday 25 May 2016
Issue date. Deferred settlement ends. Last day for Company to send notice to each security holder. Last day for Company to register reorganised securities. Last day to issue holding statements.	9	Tuesday 31 May 2016
Normal trading (T+2) commences on a consolidated basis	10	Wednesday 1 June 2016

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTIONS 8, 9 AND 10: ISSUE OF OPTIONS TO MR STEPHEN MITCHELL, MR DONALD BEARD AND MR RAY SHORROCKS

The Board acknowledges the skills and experience that Messrs Mitchell, Beard and Shorrocks bring to the Company and wishes to issue Mr Mitchell (or his nominee) 20,000,000 options over ordinary shares in the Company and Messrs Beard and Shorrocks (or their nominees) 15,000,000 options each as an incentive to contribute to Pryme and to more closely align the interests of directors with that of the Company shareholders and shareholder wealth creation. The issue of options can also partially compensate for the lower levels of fixed remuneration and is an important tool to attract and maintain experienced and successful people.

Considerations in determining the number of proposed Options

The Directors (with the relevant Director abstaining due to a material personal interest) considered each Director's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Options to be issued to each Director.

The Board considers that options are a very important tool in rewarding, retaining and incentivising employees of the Company and increasing goal alignment between shareholders, directors and executives. In light of the recent changes to the Board and Management of the Company, the Board seeks to incentivise and retain the Directors of the Company.

Those Directors, who do not have an interest in the outcome of the relevant resolution, recommend that Shareholders vote in favour of each resolution regarding the Options for the reasons set out below.

1. The Directors consider that it is important for the Company to be able to attract and retain experienced directors and that the proposed grant of Options to each Director is appropriate taking into account the relevant Director's level of experience and anticipated ongoing contribution to the Company.
2. The Company has previously issued options to its Directors and Resolutions 8, 9 and 10 ensures consistency of treatment.
3. The Directors consider that the proposed number of Options to be granted to each Director is appropriate to:
 - motivate the relevant Directors to pursue long term growth and success of the Company (within an appropriate control framework);
 - align the interests of key leadership with the long-term interests of the Company's shareholders; and
 - ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy.
4. Of the Non-Executive Directors' fee pool of \$300,000, \$182,550 (inclusive of superannuation) was used in the financial year ending 31 December 2015. If the Company is unable to issue Options then it may need to consider whether, in order to attract and retain appropriate directors, it needs to increase the level of cash fees payable. By issuing Options the Company will be able to spend a greater portion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.
5. The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd ed.) (Principles) note that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. Likewise the Principles note that equity-based remuneration can be an effective form of remuneration for executives.

Regulatory Requirements

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in relation to the proposed issue.

Under ASX Listing Rule 10.11 and Exception 10 to Listing Rule 10.12, a company must not issue or agree to issue equity securities to a related party without the approval of holders of ordinary securities. Similarly, Chapter 2E of the Corporations Act generally prohibits the Company from giving a financial benefit to a related party without shareholder approval.

Section 208(1) of the Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibition as set out in sections 210 to 216 of the Act applies to that issue. Messrs Mitchell, Beard and Shorrocks, being Directors of the Company, are deemed to be a related party by virtue of section 228(2)(a) of the Corporations Act. The issue of the Options will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Act.

Section 211 of the Corporations Act 2001 states that member approval is not needed to give a financial benefit to a related party of the Company if:

- o the benefit is remuneration, to a related party as an officer or employee of the Company; and
- o to give the remuneration would *be reasonable given the circumstances* of the Company giving the remuneration and the related party's circumstances, including the responsibilities involved in the office or employment.

The Board, with the relevant Director abstaining, has resolved that the grant of the Options to each Director constitutes reasonable remuneration within the meaning of section 211(1) of the Act as:

- o the Company wishes to maximise the use of its cash resources towards the Company's development and equity based incentives, such as options, are used to supplement cash based remuneration; and
- o the granting of the Options package proposed is commensurate with market practice.

Accordingly, Shareholder approval is not required under section 208(1) of the Act for Resolutions 8, 9 and 10, however approval is still required for the purposes of ASX Listing Rule 10.11.

Terms of the Options

The options, the subject of Resolutions 8, 9 and 10 will have an exercise price of \$0.01 each, will expire on 1 April 2019 and will vest after a period of 12 months from the date they are issued i.e. after 18 May 2017.

The options may be exercised at any time after they vest and do not lapse on cessation of directorship, unless the directorship ceases on account of wilful neglect or misconduct of the director.

While the options will not be quoted on the ASX, the Company will seek quotation from the ASX of any shares issued as a result of the exercise of these options.

The complete terms attaching to the options are set out in Annexure A of this Notice.

For the purpose of ASX Listing Rule 10.13, the following information is provided to allow Shareholders to assess the proposed issue of options:

- The number of options to be issued to Mr Stephen Mitchell will be 20,000,000. The number of options to be issued to Messrs Beard and Shorrocks is 15,000,000 each.
- All options are options over ordinary shares in the Company which may be converted on a one-for-one basis; therefore Mr Mitchell may receive up to 20,000,000 Shares upon the exercise of options and Messrs Beard and Shorrocks may receive up to 15,000,000 Shares each upon the exercise of options.
- The options will be issued no later than one month after the date of the meeting i.e. no later than 18 June 2016 (or such later date as permitted by ASX waiver or modification of the Listing Rules) and it is anticipated that the options will be issued on the day after the meeting.
- Mr Mitchell is the Executive Chairman of the Company and Messrs Beard and Shorrocks are Non-Executive Directors of the Company.
- The options will be issued at no cost to Messrs Mitchell, Beard and Shorrocks. These options will have an exercise price of \$0.01, will expire on 1 April 2019 and can be exercised after 18 May 2017; while the options will not be quoted on the ASX, the Company will seek quotation from the ASX of any shares issued as a result of the exercise of these options.
- A Voting Exclusion Statement is set out under the Resolutions in the Notice of Meeting.
- Funds raised upon exercise of the options will contribute towards additional working capital of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the above options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the above options to Messrs Mitchell, Beard and Shorrocks, or the shares issued on the exercise of the options, will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

Director Recommendations

The Directors, with Mr Mitchell abstaining on Resolution 8, recommend that Shareholders vote in favour of Resolution 8.

The Directors, with Mr Beard abstaining on Resolution 9, recommend that Shareholders vote in favour of Resolution 9.

The Directors, with Mr Shorrocks abstaining on Resolution 10, recommend that Shareholders vote in favour of Resolution 10.

RESOLUTION 11: REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of director and key management personnel (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

The Remuneration Report details the remuneration policy for the Company and:

- reports the remuneration arrangements for Company Executives and Non-Executive Directors (Pryme Personnel);
- explains Board policies in relation to the nature and value of remuneration paid to Pryme Personnel; and

- discusses the relationship between the policy and Company performance.

The Remuneration Report is available within the Directors' Report in the Company's 2015 Annual Report (which has been made available on the Pryme website, under "Announcements and Reports" and then "Annual Reports"). The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

Resolution 11 is an advisory resolution only (as stipulated by Section 250R(3) of the Corporations Act) and does not bind the Directors or the Company.

A voting exclusion statement is set out in the Notice of Meeting.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

ANNEXURE A

Complete Terms of the Options (the subject of Resolutions 8, 9 and 10)

Options have been issued on the following terms and conditions:

- (a) each Option entitles the holder to one (1) Share in the Company;
- (b) the Options the subject of Resolutions 8, 9 and 10 will vest after a period of 12 months from the date they are issued i.e. after 18 May 2017;
- (c) The Options may be exercised at any time after they vest and do not lapse on cessation of directorship, unless the directorship ceases on account of wilful neglect or misconduct of the director.
- (d) the Options are exercisable at any time after 18 May 2017 and at on or prior to 5.00pm (Melbourne time) on 1 April 2019 by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (e) the Options expire at 5.00pm (Melbourne time) on 1 April 2019 (Expiry Date);
- (f) the Option exercise price is \$0.01 per Option;
- (g) (subject to (h) below) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (h) subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are freely transferable. The Company does not intend on seeking quotation on ASX of the Options at this stage;
- (i) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options;
- (j) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options; and
- (k) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Pryme Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Melbourne time) on Monday, 16 May 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6

PROXY FORM

I/We being a member(s) of Pryme Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Melbourne time) on Wednesday, 18 May 2016 at Piper Alderman Lawyers, Level 24, 385 Bourke Street, Melbourne VIC 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 8, 9, 10 and 11: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 8, 9, 10 and 11, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Election of Director – Mr Stephen Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of Issue of Options to Mr Donald Beard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Donald Beard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of Issue of Options to Mr Ray Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Ray Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of shares issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Increase in capacity to issue securities under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of Issue of Options to Mr Stephen Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

