



28 July 2014

## Allotment of Underwritten Shares 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, in terms of the Underwriting Agreement with Patersons Securities Limited (Underwriter), 339,500,157 fully paid ordinary shares and 169,750,088 free attaching options were allotted and issued today, 28 July 2014, to sub-underwriters appointed by the Underwriter.

The issued share capital of Pryme after the allotment and issue of the above is 778,040,402 fully paid ordinary shares and 200,000,023 free attaching options.

The total funds raised through the Rights Issue (before expenses) is A\$4 million and the Company is now funded to begin drilling in its Capitola Oil Project located in the Permian Basin, Texas USA.

For further information please contact:

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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<br><br>(b) Free attaching Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 339,500,157 Fully paid ordinary shares<br><br>(b) 169,750,088 free attaching Options   |
| 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) Fully paid ordinary shares<br><br>(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. |

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+ See chapter 19 for defined terms.

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) 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) The free attaching Options issued will rank equally with the existing class of options traded under the code PYMO.</p>
5	Issue price or consideration	<p>(a) Rights Issue: 1 cent per share</p> <p>(b) Options: Nil consideration</p>
6	<p>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>
6a	<p>Is the entity an <sup>+</sup>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 <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>23 April 2014</p>
6c	<p>Number of <sup>+</sup>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	400,000,000 Fully paid ordinary Shares with free 200,000,023 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"> <li>• Listing Rule 7.1: 62,547,676 fully paid ordinary shares</li> <li>• Listing Rule 7.1A: 74,195,399 fully paid ordinary shares.</li> </ul>
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) Underwriter shares : 28 July 2014</p> <p>(b) Options: 28 July 2014</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)	778,040,402	Fully paid ordinary shares
	200,000,023	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: 28 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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	289,708,568
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>339,500,157 (Issued on 28 July 2014 to sub-underwriters appointed by the Underwriter to the Rights Issue announced on 30 June 2014)</p> <p>60,499,843 (Issued on 23 July 2014 under the Rights Issue announced on 30 June 2014)</p> <p>44,845,422 (Issued under the March 2014 Rights Issue on 16 April 2014)</p> <p>1,400,000 (Issued under the March 2014 Rights Issue on 4 June 2014)</p> <p>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)</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil

<b>“A”</b>	741,953,990
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	111,293,098
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> 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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<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>
<b>“C”</b>	48,745,422
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	111,293,098
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	48,745,422
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>62,547,676</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	741,953,990
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	74,195,399
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <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></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
<b>“E”</b>	0

<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10  <i>Note: number must be same as shown in Step 2</i>	74,195,399
<b>Subtract "E"</b>  <i>Note: number must be same as shown in Step 3</i>	0
<b>Total</b> ["A" x 0.10] – "E"	74,195,399  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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