



10 September 2014

## Placement of Shortfall Shares and Appendix 3B

Pryme Energy Limited (Pryme) is pleased to announce that it has successfully placed the shortfall of 116,680,985 fully paid ordinary shares (Shortfall Shares) from the Rights Issue announced on 30 June 2014 at \$0.01 per share and has issued 58,340,493 free attaching options (Attaching Options). The Attaching Options have an exercise price of 2.0 cents and an expiry date of 23 July 2016 (2 years from the Issue Date.)

The placement of the Shortfall Shares and free attaching options takes Pryme's quoted issued capital to 907,380,397 fully paid ordinary shares and 458,340,516 listed options with an exercise price of 2.0 cents and an expiry date of 23 July 2016. Pryme also has on issue 90,738,040 unquoted Management options which vest and will then be quoted upon achievement of specified performance conditions; these options also have an exercise price of 2.0 cents and an expiry date of 23 July 2016.

The Rights Issue, together with the placement of the Shortfall Shares, has raised approximately \$5.2 million in capital for Pryme before costs.

Patersons Securities Limited acted as Lead Manager to the placement of Shortfall Shares and Attaching Options.

For further information please contact:

**Justin Pettett**  
**Managing Director**  
**Pryme Energy Limited**  
Telephone: +61 7 3371 1103

**Ryan Messer**  
**Chief Operating Officer**  
**Pryme Energy Limited**  
Telephone: +1 713 401 9806

**Website:** [www.prymeenergy.com](http://www.prymeenergy.com)

**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>(b) Free Attaching Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 116,680,985 Fully paid ordinary shares<br>(b) 58,340,493 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>(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. |

---

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +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) Yes, 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) Yes, 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) Fully Paid Ordinary Shares: 1 cent per share</p>
		<p>(b) Free Attaching 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>Funds raised from the placement of shortfall under the rights issue and upon exercise of the Options will be used to:</p> <p>(a) fund the Capitola Oil Project; and</p> <p>(b) provide general working capital</p> <p>Please refer to the Prospectus lodged with ASX on 30 June 2014 for further details.</p>
6a	<p>Is the entity an +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 +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 +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Not applicable</p>

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	(a) 116,680,985 Fully paid ordinary shares  (b) 58,340,493 Free Attaching Options						
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	As per Annexure 1, post issue, the issue capacity is as follows:  <ul style="list-style-type: none"> <li>• Listing Rule 7.1: 133,232,059 securities</li> <li>• Listing Rule 7.1A: 90,488,039 securities</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) Fully Paid Ordinary Shares: 10 September 2014</p> <p>(b) Free Attaching Options: 10 September 2014</p>						
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="774 1758 1069 1792">Number</th> <th data-bbox="1069 1758 1361 1792">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1792 1069 1881">907,380,397</td> <td data-bbox="1069 1792 1361 1881">Fully paid ordinary shares</td> </tr> <tr> <td data-bbox="774 1881 1069 1982">458,340,516</td> <td data-bbox="1069 1881 1361 1982">Options expiring 23 July 2016</td> </tr> </tbody> </table>	Number	+Class	907,380,397	Fully paid ordinary shares	458,340,516	Options expiring 23 July 2016
Number	+Class							
907,380,397	Fully paid ordinary shares							
458,340,516	Options expiring 23 July 2016							

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		90,738,040	Options expiring 23 July 2016
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None	

## 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: 10 September 2014  
(Director)

Print name: JUSTIN PETTETT

== == == == ==

---

+ 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> </ul>	<p>116,680,985 (Issued on 10 September 2014 as placement of shortfall under the Rights Issue announced on 30 June 2014)</p> <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>1,400,000 (Issued under the March 2014 Rights Issue on 4 June 2014)</p> <p>44,845,422 (Issued under the March 2014 Rights Issue on 16 April 2014)</p>
<ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> </ul>	<p>12,659,010 (Adjusting Offer to Directors and their related parties – approved by shareholders at the Extraordinary General Meeting on 6 August 2014)</p> <p>33,586,412 (Adjusting Offer to non-Director participants issued on 23 July 2014 and approved by shareholders at the Extraordinary General Meeting on 6 August 2014)</p> <p>6,000,000 (Issued to vendors of the Capitola Oil Project on 14 March 2014 and approved by shareholders at the Annual General</p>

<ul style="list-style-type: none"> <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>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	Meeting on 23 April 2014)  -
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	904,880,397
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15  [Note: this value cannot be changed]
<b>Multiply</b> “A” by 0.15	135,732,059
<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>This applies to equity securities, unless specifically excluded – not just ordinary securities</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	2,500,000 fully paid ordinary shares issued on 16 April 2014

+ See chapter 19 for defined terms.



“C”	2,500,000
-----	-----------

<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	135,732,059
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	2,500,000
<b>Total</b> [“A” x 0.15] – “C”	133,232,059  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

---

+ 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>	904,880,397
<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>	90,488,039
<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>	90,488,039
<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”	90,488,039  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

---

+ See chapter 19 for defined terms.