

4 February 2016

Board Changes and Arrangements

CHANGES TO THE BOARD

Pryme Energy Limited advises that Mr. Stephen Mitchell has been appointed Executive Chairman of the Board on a temporary basis in order to oversee the management, operations and strategic review of the Company. This is considered necessary since the resignation of the prior Chairman and Chief Executive Officer.

Pryme Energy also advises that Mr. Daniel Lanskey has resigned from the Board of Directors effective February 3, 2016. Attached is a copy of Mr. Lanskey's Appendix 3Z-Final Director's Interest Notice.

AMENDMENT TO BOARD FEES

In 2015, the Company paid Directors a total of approximately \$1,600,000 (\$920,000 pre-redundancies). This did not include payments for accounting and company secretarial services that are estimated to have cost a further \$350,000.

Pryme Energy Limited advises that the fees to be paid to the Directors have been amended as follows:

Board:

Executive Chair: \$72,000 p.a. (inclusive of Superannuation)

Non-Executive Director: \$30,000 p.a. (inclusive of Superannuation) - no change

Board Committees:

Chair: \$12,000 p.a. (inclusive of Superannuation)

Member: \$6,000 p.a. (inclusive of Superannuation)

Given the resignation of the former Chairman and the previous Board's decision to make the CEO, the CFO and the COO redundant, until these roles can be filled, all Directors will be required to assume more responsibility and devote significantly more time than would be expected of Non-Executive Directors. For this additional time and responsibility, and until full time executives are appointed, the Chairman will be paid an additional \$10,000/month and Non-Executive Directors may be paid an additional \$500/day as required.



Pryme has also appointed Mr. John Zetzman to act as COO and Country Manager in the US at a cost of US\$5,000/month.

It is expected that these arrangements, in conjunction with other cost saving arrangements with respect to personnel, will result in a very substantial reduction in the costs of managing the Company when compared to previous years.

At this time no incentives have been offered to Directors and the Board intends to consult widely with shareholders before considering performance based remuneration.

Mr. Stephen Mitchell
Executive Chairman
Pryme Energy Limited
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ASX Code: PYM
OTCQX Code: POGLY

Mr. Don Beard
Director

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Appendix 3Z

Final Director's Interest Notice

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 30/9/2001.

Name of entity	PRYME ENERGY LIMITED
ABN	75 117 387 354

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of director	Daniel Lanskey
Date of last notice	16 October 2015
Date that director ceased to be director	3 February 2016

Part 1 – Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Not applicable

+ See chapter 19 for defined terms.

Appendix 3Z

Final Director's Interest Notice

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of securities
Note: Provide details of the circumstances giving rise to the relevant interest	
ASC Resources Pty Ltd – Mr Lanskey is a Director of the Company	Fully Paid Ordinary Shares 8,487,504 Listed Options expiring 23 July 2016 9,243,752

Part 3 – Director's interests in contracts

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
No. and class of securities to which interest relates	-

+ See chapter 19 for defined terms.