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

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**TIME:** 11:00am (Brisbane time)

**DATE:** 23 May 2012

**PLACE:** Link Market Services Limited  
Level 15 324 Queen Street  
Brisbane QLD 4000

**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 Managing Director on +617 3371 1103.**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (AGM) of the Shareholders of Pryme Energy Limited (Pryme) will be held at 11.00am (Brisbane time) on Wednesday, 23 May 2012 at Link Market Services Limited, Level 15, 324 Queen Street, Brisbane, Queensland.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. 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 Audit Report of the Company for the financial year ended 31 December 2011.

Unless the Company's Share Registry has been notified otherwise, Shareholders were not 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 2011, on the Company's website ([www.prymeenergy.com](http://www.prymeenergy.com)); go to "Announcements and Reports" and then "Annual Reports".

### **B. QUESTIONS AND COMMENTS**

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:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) 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 Audit Report or the conduct of the audit. A list of written questions submitted by Shareholders will be made available at the start of the Meeting and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

### **C. ITEMS FOR APPROVAL**

#### **1. Re-election of Director - Mr Greg Short**

To consider and, if thought fit, to pass the following as an ordinary resolution of Shareholders of the Company:

*"That, Mr Greg Short, who retires in accordance with clause 13.2 of the Company's Constitution, having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company."*

## **2. 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 2011 (set out in the Directors’ Report) be adopted.”*

NB: This resolution is advisory only. This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

**By order of the Board**



**Swapna Keskar  
Company Secretary  
20 April 2012**

## **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 (Brisbane time) on 21 May 2012 will be entitled to attend and vote at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (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 Meeting.

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 11.00am (Brisbane time) on 21 May 2012. Proxies must be received before that time by one of the following methods:

- |               |   |
|---------------|---|
| By post:      | Pryme Energy Limited<br>C/- Link Market Services Limited<br>Locked Bag A14<br>Sydney South NSW 1235 |
| By facsimile: | In Australia (02) 9287 0309<br>From outside Australia +61 2 9287 0309                               |
| By delivery:  | Link Market Services Limited<br>1A Homebush Bay Drive<br>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 11.00am (Brisbane time) on 21 May 2012, being 48 hours before 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 Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act 2001. The representative should bring to the Meeting 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 Chief Financial Officer at

sandra@prymeenergy.com. To allow time to collate questions and prepare answers, questions are to be received by the Chief Financial Officer by 5:00 pm (Brisbane time), 16 May 2012.

Questions submitted in writing to the Chief Financial Officer 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 Annual General Meeting to be held at Link Market Services Limited, Level 15, 324 Queen Street, Brisbane, Queensland at 11.00am (Brisbane time) on 23 May 2012.

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 Annual General Meeting.

### **RESOLUTION 1: RE-ELECTION OF DIRECTOR – MR GREG SHORT**

In accordance with clause 13.2 of the Company's Constitution, Mr Greg Short retires by rotation and, being eligible, offers himself for re-election as a Director.

Mr Short holds a Bachelor's degree in Geology from the University of New England and is a Graduate of the Australian Institute of Company Directors.

Mr Short is a geologist with over 30 years experience in petroleum exploration, initially as a production and operations geologist then rapidly advancing to supervisory and management positions. His experience includes 15 years overseas in senior exploration management positions in the USA, Europe and Africa. In the USA he was responsible for all of Exxon's petroleum exploration activities which included onshore and offshore Gulf Coast exploration.

Mr Short has a strong technical grounding in exploration, development and production geoscience, exploration operations, joint venture management, government relations, budgeting, contract and project management, and people management.

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

### **RESOLUTION 2: 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.

This year is the first year that the vote, while still non-binding, will be relevant to the recently introduced Division 9 of Part 2G.2 of the Corporations Act. If there is a vote of 25% or more against the Remuneration Report, and another vote of 25% or more at the 2013 AGM, then a resolution will be put to the 2013 AGM to put the Board (other than the Managing Director) up for re-election.

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 Report is available on pages 20 to 26 in the Company's 2011 Annual Report (available on the Pryme website, go to "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.

## **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 2 in contravention of section 250R or 250BD of the Corporations act:

- by or on behalf of a member of the key management personnel whose remuneration is included in the remuneration report;
- by or on behalf of a closely related party (such as close family members and any controlled companies) of a member of key management personnel whose remuneration is included in the remuneration report; or
- as a proxy of any of the above.

However, the Company need not disregard a vote cast on Resolution 2 if it is cast as a proxy for a person who is entitled to vote, in accordance with the directions (For, Against or Abstain) on the proxy appointment and in accordance with the exceptions under the Corporations Act.

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



ABN 75 117 387 354

LODGE YOUR VOTE

By mail: Pryme Energy Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia

By fax: (02) 9287 0309

All enquiries to: Telephone: (02) 8280 7454



X99999999999

SHAREHOLDER VOTING FORM

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

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00am (Brisbane time) on Wednesday, 23 May 2012, at Link Market Services Limited, Level 15, 324 Queen Street, Brisbane QLD 4000 and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

1 If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business. The Chairman of the Meeting, Directors and other Key Management Personnel of the Company and their closely related parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Resolution 2 (Remuneration Report) that arise from any undirected proxy that they hold.

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 X

STEP 2

VOTING DIRECTIONS

Table with 3 columns: Resolution, For, Against, Abstain. Rows include Resolution 1 (Re-election of Director - Mr Greg Short) and Resolution 2 (Remuneration Report).

2 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual), Joint Shareholder 2 (Individual), Joint Shareholder 3 (Individual) with signature lines and roles: 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).

PYM PRX210





## HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You should 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.

If the Chairman of the meeting or another of the Key Management Personnel of the company or their closely related parties is your proxy, that person will not vote your shares on Resolution 2 (Remuneration Report) if you have not directed them how to vote on that item.

Key Management Personnel of the company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year to 30 June 2011. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

### 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:

- (a) 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.
- (b) 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.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Brisbane time) on Monday, 21 May 2012**, 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:



**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:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**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.**