



Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

2 October 2009

Dear Sirs

Completion of Non-Renounceable Rights Issue & Appendix 3B

Pryme Oil & Gas Limited (*Pryme*) refers to the non-renounceable rights issue announced on 26 August 2009 and offered to eligible shareholders on 10 September 2009 (*Rights Issue*).

Pryme advises that 21,725,948 fully paid ordinary shares were allotted and issued today, 2 October 2009, to Eligible Shareholders who applied for shares under the Rights Issue. This number is slightly less than that as announced by Pryme on 29 September 2009, due to an administrative error made by Pryme's share registry arising from over payments by some shareholders. Pryme's share registry has confirmed that the Rights Issue was undersubscribed by 29,360,148 shares (*Shortfall Shares*).

Attached is an Appendix 3B seeking quotation of 21,725,948 ordinary shares issued under the Rights Issue.

The issued capital of Pryme after the allotment and issue of shares under the Rights Issue is 149,441,189 fully paid ordinary shares.

The Directors intend to place the Shortfall Shares in accordance with the terms of the Rights Issue Offer Document and the ASX Listing Rules. Further details of the placement of the Shortfall Shares will be announced in accordance with the ASX Listing Rules.

The Directors wish to thank the shareholders for their continued support and participation in the Rights Issue.

Yours sincerely

Justin Pettett
Managing Director

For further information please contact:

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Pryme Oil and Gas Limited is an Australian oil and natural gas producer and explorer with interests in the U.S., the world's biggest oil market. The company has an exceptional suite of exploration projects focused on Louisiana, the fifth-largest oil-producing state in the U.S. These projects are funded in part by existing cash flow. Pryme's management team has over 75 years of energy industry experience and has uniquely focused local knowledge, underscored by the proven track records of its managers and directors. Directors of the company are George Lloyd (Non Executive Chairman), Justin Pettett (Managing Director), Ryan Messer (Executive Director) and Ananda Kathiravelu (Non Executive Director).

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Pryme Oil & Gas 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 | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 21,725,948 |
| 3 | Principal terms of the +securities (eg, 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) | Ordinary fully paid shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The shares issued will rank equally with the existing class of ordinary shares				
5 Issue price or consideration	10 cents per share				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To supplement working capital to support the continuing drilling of one to two new wells per month in the Four Rivers Project; to advance the exploration campaigns in the Atocha and Turner Bayou Projects in Louisiana; and to evaluate and, if warranted, progress the exploration of oil and gas prospects in locations other than the United States of America.				
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	2 October 2009				
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="686 1467 997 1500">Number</th><th data-bbox="997 1467 1283 1500">⁺Class</th></tr> <tr> <td data-bbox="686 1500 997 1720">149,441,189</td><td data-bbox="997 1500 1283 1720">Ordinary shares</td></tr> </table>	Number	⁺ Class	149,441,189	Ordinary shares
Number	⁺ Class				
149,441,189	Ordinary shares				

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>500,000</td><td>\$0.40 options expiring on 31 December 2009</td></tr></table>	Number	⁺ Class	500,000	\$0.40 options expiring on 31 December 2009
Number	⁺ Class					
500,000	\$0.40 options expiring on 31 December 2009					
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

Items 35 to 42 are not applicable

⁺ See chapter 19 for defined terms.

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.

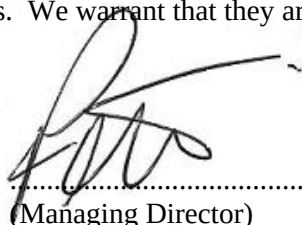
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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 not available now, 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:



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(Managing Director)

Date: 2 October 2009

Print name: Justin Pettett

+ See chapter 19 for defined terms.