



24 August 2011

Placement of Shortfall Shares Completed

Pryme Energy Limited (Pryme) is pleased to announce that, with the placement of 2,200,000 fully paid ordinary shares, it has successfully completed the placement of 100% of the Shortfall Shares from the recent Rights Issue. The placement of the 2,200,000 shares takes Pryme's issued capital to 257,841,350 fully paid ordinary shares.

The 2,200,000 shares were allotted and issued to Eligible Shareholders and new investors at \$0.125 per share, in accordance with the terms of the Rights Issue, on 24 August 2011. The Shortfall Shares are issued under Exception 3 of ASX Listing Rule 7.2. The issue does not require shareholder approval.

The recent Rights Issue was announced on 15 June 2011, together with the placement of the Shortfall Shares, has raised approximately \$4.0 million in new capital for Pryme.

For further information please contact:

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ASX Code: PYM

OTCQX Code: POGLY

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 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 | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,200,000 |
| 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.

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	12.5 cents per share					
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The additional funds, after the expenses of the Rights Issue and normal working capital requirements, will be used primarily to ensure that in the event of cost overruns on the Company’s second well in the Turner Bayou Chalk project, Deshotels 13H No.1 well, the Company can continue to fund its proportionate share.					
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	24 August 2011					
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>257,841,350</td><td>Ordinary shares</td></tr></table>	Number	⁺ Class	257,841,350	Ordinary shares	
Number	⁺ Class						
257,841,350	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>\$0.15 Options expiring 20 January 2012</td></tr><tr><td>553,427</td><td>Performance Rights/Restricted Stock Units under 2009 Long Term Incentive Plan Award</td></tr><tr><td>1,931,002</td><td>Performance Rights/Restricted Stock Units under 2010 Long Term Incentive Plan Award</td></tr><tr><td>2</td><td>Convertible Notes (2 of possible 2 Convertible Notes under Convertible Note facility)</td></tr></table>	Number	⁺ Class	500,000	\$0.15 Options expiring 20 January 2012	553,427	Performance Rights/Restricted Stock Units under 2009 Long Term Incentive Plan Award	1,931,002	Performance Rights/Restricted Stock Units under 2010 Long Term Incentive Plan Award	2	Convertible Notes (2 of possible 2 Convertible Notes under Convertible Note facility)
Number	⁺ Class											
500,000	\$0.15 Options expiring 20 January 2012											
553,427	Performance Rights/Restricted Stock Units under 2009 Long Term Incentive Plan Award											
1,931,002	Performance Rights/Restricted Stock Units under 2010 Long Term Incentive Plan Award											
2	Convertible Notes (2 of possible 2 Convertible Notes under Convertible Note facility)											
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 – 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

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Items 35 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.
- 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:



..... Date: 24 August 2011

Print name:

Justin Pettett (Managing Director)

⁺ See chapter 19 for defined terms.