



1 July 2015

Placement of 100,000,000 shares to Raya Group Limited

Pryme Energy Limited (Pryme) refers to its announcement lodged on 29 June 2015 in relation to the acquisition of the Mississippian Lime Acreage, Oklahoma, from Raya Group Limited (Raya) and the Purchase and Sale Agreement (PSA) executed with Raya.

Pryme is pleased to announce that pursuant to the terms of the PSA, it has completed the placement of 100,000,000 fully paid ordinary shares in Pryme to Raya (Placement). An Appendix 3B and a cleansing notice in relation to the Placement are attached to this announcement.

The issued share capital of Pryme, after the above issue of shares, is 1,007,380,397 fully paid ordinary shares, 458,340,516 listed options expiring 23 July 2016 and 90,738,040 unlisted performance options expiring 23 July 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Justin Pettett", is written over a light grey rectangular background.

Justin Pettett
Managing Director

For further information please contact:

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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 | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 100,000,000 fully paid ordinary shares to be issued to Raya Group Limited pursuant to the ASX announcement lodged on 29 June 2015 (Raya shares) |
| 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) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the +securities rank equally in all respects from the +issue date 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	Yes, the fully paid ordinary shares issued will rank equally with the existing class of fully paid ordinary shares traded under the code PYM.
5	Issue price or consideration	Non cash consideration. (Please refer to the announcement lodged on 29 June 2015)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Raya shares are issued as part of the consideration for acquisition of the acreage owned by US based wholly owned subsidiaries of Raya Group Limited in the Mississippian Lime, Oklahoma. (Please refer to the announcement lodged on 29 June 2015)
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
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	Not applicable	
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: Under Listing Rule 7.1: 36,107,059 securities	
7	+Issue dates 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. Cross reference: item 33 of Appendix 3B.	1 July 2015	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,007,380,397	Fully paid ordinary shares
		458,340,516	Options expiring 23 July 2016

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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

Part 2 - 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

⁺ See chapter 19 for defined terms.

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.

⁺ 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.
- 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: 1 July 2015
(Director)

Print name: JUSTIN PETTETT

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+ 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

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	344,453,990
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period	116,680,985 (Issued on 10 September 2014 as placement of shortfall under the Rights Issue announced on 30 June 2014) 339,500,157 (Issued on 28 July 2014 to Sub-underwriters appointed by the Underwriter to the Rights Issue announced on 30 June 2014) 60,499,843 (Issued on 23 July 2014 under the Rights Issue announced on 30 June 2014) 12,659,010 (Adjusting Offer to Directors and their related parties – approved by shareholders at the Extraordinary General Meeting on 6 August 2014). 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) -

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Note: • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	907,380,397

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	136,107,059
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	100,000,000 fully paid ordinary shares issued on 1 July 2015.
“C”	100,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	136,107,059
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	100,000,000
Total [“A” x 0.15] – “C”	36,107,059 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2 Not applicable

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <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> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



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

1 July 2015

Dear Sirs,

Section 708A(5)(e) Notice

Pryme Energy Limited (**Pryme** or **the Company**) advises that there is an outstanding disagreement between it and the vendors of the Capitola Oil Project, relating to the extent of the Company's interest in that Project. The Parties will mediate the matter later this month. The Company believes the disclosures it has made to date concerning its interest in the Project remain true and correct.

Pryme refers to the Appendix 3B released on 1 July 2015 for the placement of 100,000,000 fully paid ordinary shares of the Company to Raya Group Limited (**Raya**) as part of the purchase price under the Purchase and Sale Agreement, details of which were announced on 29 June 2015.

Pryme hereby notifies ASX under section 708A(5)(e) of the Corporations Act (**the Act**) that:

- (a) Pryme issued the shares without disclosure to the investor under Part 6D.2 of the Act;
- (b) as at 1 July 2015, Pryme has complied with the provisions of Chapter 2M of the Act as they apply to Pryme, and section 674 of the Act; and
- (c) as at 1 July 2015, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profits and losses and prospects of Pryme; or
 - B. the rights and liabilities attaching to the shares.

Yours sincerely,

A handwritten signature in black ink, appearing to read "JPettett", with a horizontal line extending from the end.

Justin Pettett
Managing Director

For further information please contact:

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