



18 July 2011

Non Renounceable Rights Issue Update

Pryme Energy Limited (Pryme) refers to the non-renounceable rights issue announced on 15 June 2011 and offered to eligible shareholders on 29 June 2011 (Rights Issue).

Pryme advises that the Rights Issue closed on 14 July 2011 with applications for 7,880,720 ordinary shares (New Shares) received for total subscribed funds of \$985,090. The New Shares will be allotted on 21 July 2011.

The Rights Issue was undersubscribed to the amount of 24,349,448 ordinary shares (Shortfall Shares).

The Directors will seek to place the Shortfall Shares in accordance with the terms of the Rights Issue Offer Document and the ASX Listing Rules and will advise the market as and when any placements occur. The Company has engaged Shaw Corporate Finance to place any Shortfall under the Rights Issue on a reasonable endeavours basis.

The issued capital of Pryme after the allotment and issue of the New Shares and Shortfall Shares under the Rights Issue will be 257,841,350 fully paid ordinary shares.

The Directors are glad that shareholders had the opportunity to purchase shares through the Rights Issue prior to the completion of drilling of the second well in the Turner Bayou Chalk project, the Deshotels 13H No.1. The Directors wish to thank the shareholders for their continued support and participation in the Rights Issue.

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