



19 March 2013

ASX Limited
ASX Market Announcements
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Rights Issue

Kairiki Energy Limited (**Kairiki** or **the Company**) advises that it has resolved to conduct a renounceable rights issue to raise up to \$12.1 million.

The rights issue will offer shareholders nine (9) new shares for every two (2) shares held. A total of up to 12,097,637,267 shares may be issued at \$0.001 each, raising up to \$12,097,637 before costs (**Rights Issue** or **Offer**). The Rights Issue will be renounceable meaning that a rights trading facility will be available on the ASX.

It is intended that the Rights Issue is to be partially underwritten to \$9 million. The Company is in the process of finalising the terms and conditions of an underwriting agreement with Patersons Securities Limited. The Company's convertible note holder, IMC Oil & Gas Investment Ltd, has indicated their intention to sub-underwrite the Rights Issue to an amount of \$7.7 million.

The Company will be making the Offer available to eligible shareholders, being persons who are registered as shareholders of the Company on the record date and have a registered address in Australia or New Zealand.

Proceeds from the Rights Issue will be applied towards:

- retiring the Company's existing debt arising under the Convertible Note with IMC;
- provide additional working capital to fund the Company's existing assets and for due diligence on possible acquisitions; and
- fund the costs of the Offer.

Details of the Rights Issue and How to Participate

Eligible shareholders will receive a copy of the Rights Issue Prospectus and accompanying Entitlement and Acceptance Application Form setting out the relevant details in relation to shareholder entitlement and costs for full participation in the Rights Issue.

Eligible shareholders may participate in the Rights Issue either in full or by accepting part of their entitlement. Shareholders will be given the opportunity to apply for shares in excess of their entitlement.



A Rights Issue timetable will be announced on finalisation of the underwriting agreement and completion of the relevant offer document.

This announcement effects the end of the Company's trading halt.

N J Bassett
Company Secretary