

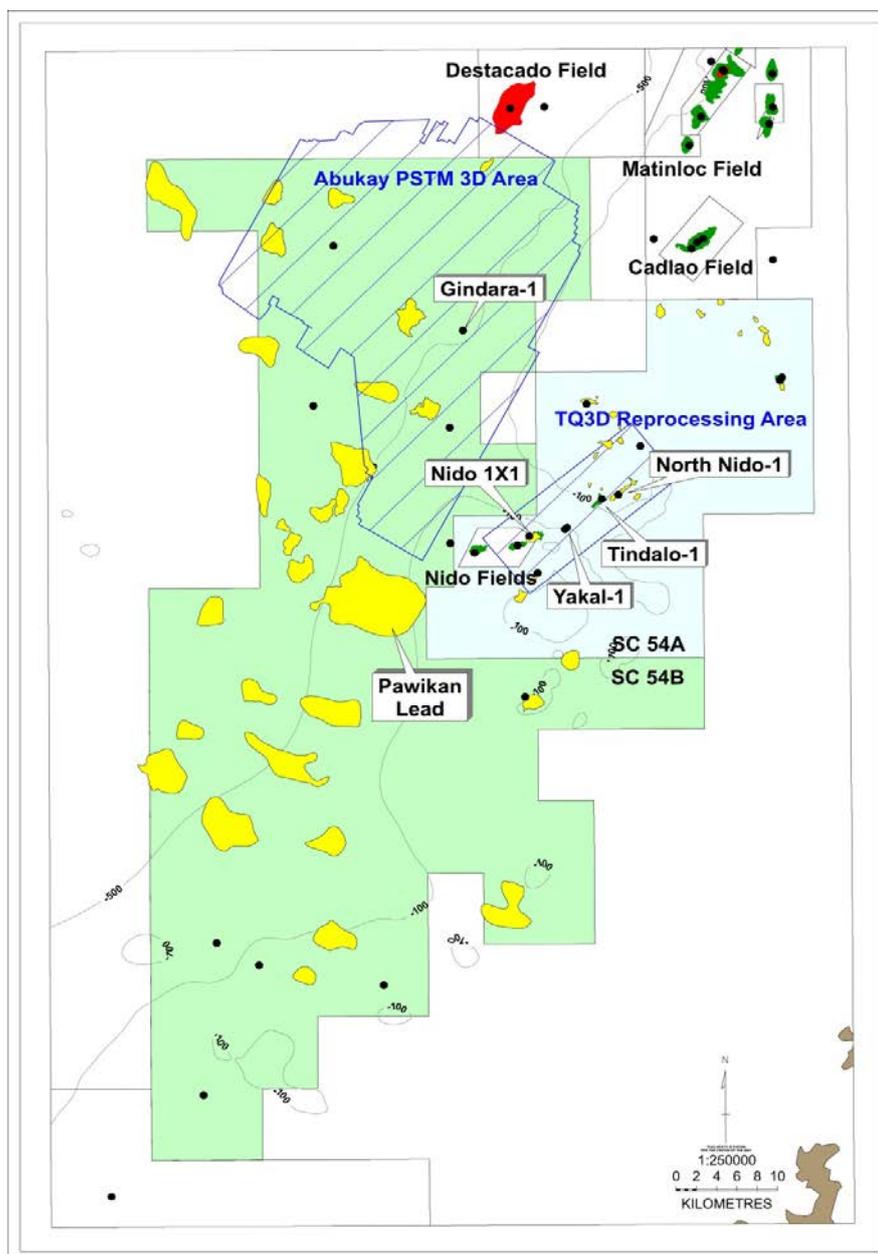
QUARTERLY ACTIVITY REPORT For the period ending 31 March 2014

The Directors wish to report the following activities for the quarter ended 31 March 2014:

Oil & Gas Activities

Philippines Offshore Oil and Gas Permit

- SC 54A - 30.1% Participating Interest
- SC 54B - 40% Participating Interest



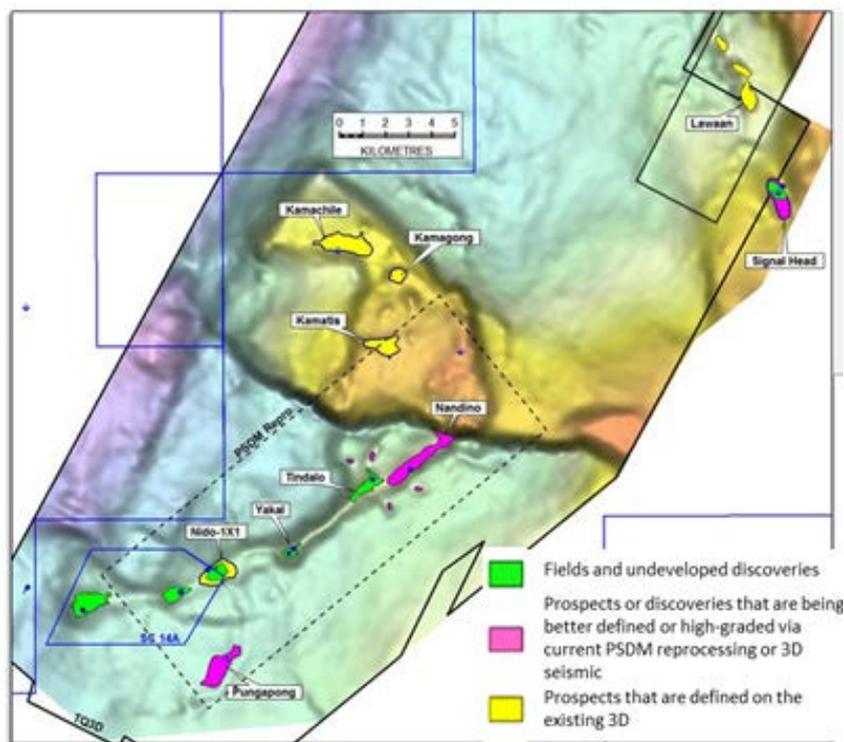
Location map – Blocks SC 54A & SC 54B

SC 54A

No work was carried out by the Joint Venture during the quarter.

The Joint Venture has approval from the Philippines Department of Energy for an extension of Sub-phase 6 for a period of 12 months, with Sub-phase 6 now expiring on 4 August 2014.

The well commitment associated with Sub-phase 6 has been met by the drilling of Gindara-1.



Location Map and Portfolio Inventory – SC 54A

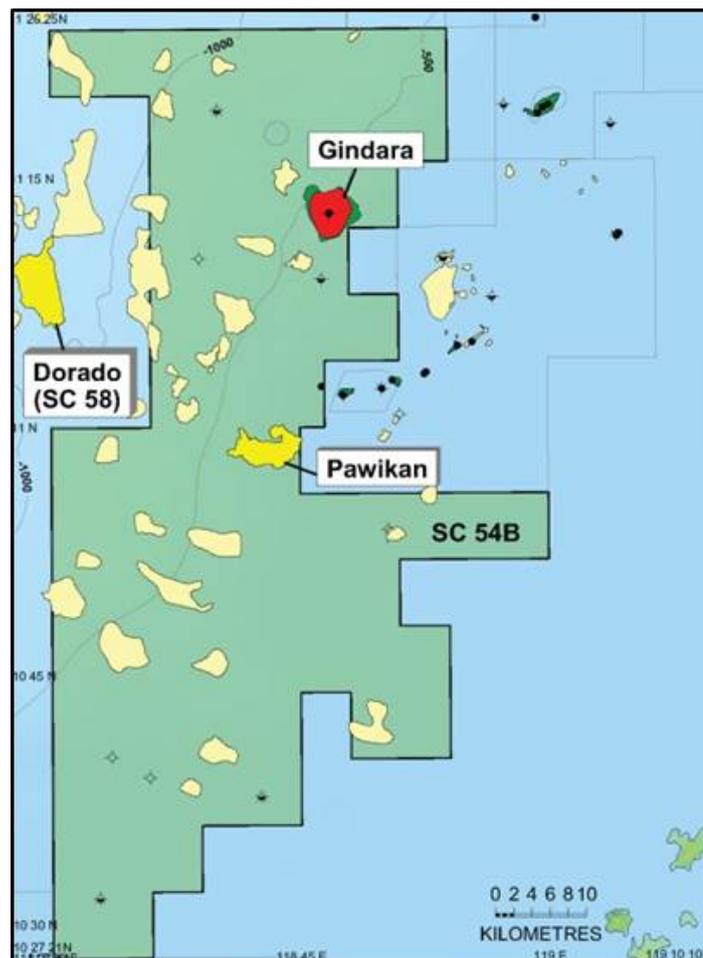
SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido) – Operator	42.4%
Yilgarn Petroleum Philippines Pty Ltd (Kairiki)	30.1%
Trafigura Ventures III BV (Trafigura)	15.0%
TG World (BVI) Corporation (TG World)	12.5%

SC 54B

No work was carried out by the Joint Venture during the quarter.

There is no firm commitment related to Block B of this Service Contract in either the current Sub-phase 6 or in Sub-phase 7 if the Company elects to enter the next Sub-phase.



SC 54B Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido) – Operator	60%
Yilgarn Petroleum Philippines Pty Ltd (Kairiki)	40%



Corporate Summary

New Ventures

During the quarter, the Company continued to review new project opportunities, however, none were considered appropriate for the Company.

Facility Agreement

The Company has a drawdown facility agreement with IMC Oil & Gas Investments Limited for an amount of \$488,000. At 31 March 2014, \$240,000 had been drawn down under the facility.

Yours faithfully

N J Bassett
Company Secretary
For more information on the Company visit www.kairikienergy.com