



30 August 2011

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

Rights Issue Closure and Notice of Shortfall

Kairiki Energy Limited advises that the partially underwritten pro-rata renounceable rights issue pursuant to the Prospectus dated 22 July 2011, closed on 26 August 2011 (**Rights Issue or Offer**).

The Rights Issue offered, to eligible shareholders, three (3) new shares for every two (2) shares held on the record date, at an issue price of 0.4 cents per share. For every four shares subscribed for in the Rights Issue, the applicant will receive 1 "piggy back" option. The primary option is exercisable at 0.4 cents during June 2013 and will expire on 30 June 2013. The primary option is exercisable into one share and a secondary option which is exercisable at 0.4 cents and expires on 30 June 2015.

Shares validly applied for under the Offer and the number of shortfall shares is summarised below:

	Number	Subscription amount at 0.4 cents per share
Total Shares offered	1,781,317,304	\$7,125,269.21
Underwritten securities	1,500,000,000	\$6,000,000.00
Shares validly applied for under the Offer	615,893,051	\$2,463,571.48
Shortfall available to be placed by the Underwriter	884,106,949	\$3,536,428.52

Yours faithfully

N J Bassett
Company Secretary