

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Kairiki Energy Limited

ABN

34 002 527 906

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	1,790	6,565
1.2	Payments for		
	(a) exploration and evaluation	(317)	(440)
	(b) development *	(8,193)	(25,927)
	(c) production	-	-
	(d) administration	(449)	(1,538)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	38
1.5	Interest and other costs of finance paid	(402)	(987)
1.6	Income taxes paid	(30)	(30)
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(7,593)	(22,319)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(6)
1.9	Net proceeds from sale of:		
	(a) prospects	-	1,174
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	1,168
1.13	Total operating and investing cash flows (carried forward)	(7,593)	(21,151)

1.13	Total operating and investing cash flows (brought forward)	(7,593)	(21,151)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc (net of costs)	11,486	19,418
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings – convertible notes (net of costs)	-	-
1.17	Repayment of borrowings – convertible notes	(1,982)	(1,982)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	9,504	17,436
	Net increase (decrease) in cash held	1,911	(3,715)
1.20	Cash at beginning of quarter/year to date	2,880	9,028
1.21	Exchange rate adjustments to item 1.20	(141)	(663)
1.22	Cash at end of quarter	4,650	4,650

* Development costs include costs associated with the abandonment and decommissioning of the Tindalo project after the decision was made on 29 December 2010 to abandon the well.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	95
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- payment of directors' fees;
- payment of consulting fees to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities – convertible note	7,303 (US\$7,530)	7,303 (US\$7,530)
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,560
4.2 Development	-
4.3 Production	-
4.4 Administration	380
Total	2,940

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,650	2,880
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	4,650	2,880

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter				
7.3	+Ordinary securities	1,187,522,664	1,187,522,664		Fully paid
7.4	Changes during quarter				
	(a) Increases through issues:				
	Placement	116,000,000	116,000,000	3 cents	3 cents
	Rights issue	296,630,666	296,630,666	3 cents	3 cents
	Placement	1,000,000	1,000,000	3 cents	3 cents
	(b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)	10,000,000	-	US\$1 per note	US\$0.753 per note
	Convertible Notes				
7.6	Changes during quarter				
7.7	Options			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted options	500,000	-	30 cents	31/5/2011
	Listed options	305,192,095	305,192,095	4 cents	31/8/2011
7.8	Issued during quarter				
	Listed options	305,192,095	305,192,095	4 cents	31/8/2011
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards
as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2011
(Director)

Print name: Dr Mark Fenton
Managing Director

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been
financed for the past quarter and the effect on its cash position. An entity wanting to disclose
additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining
tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint
venture agreement and there are conditions precedent which will change its percentage interest in a
mining tenement, it should disclose the change of percentage interest and conditions precedent in the
list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3
for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB
1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards
for foreign entities. If the standards used do not address a topic, the Australian standard on that topic
(if any) must be complied with.