



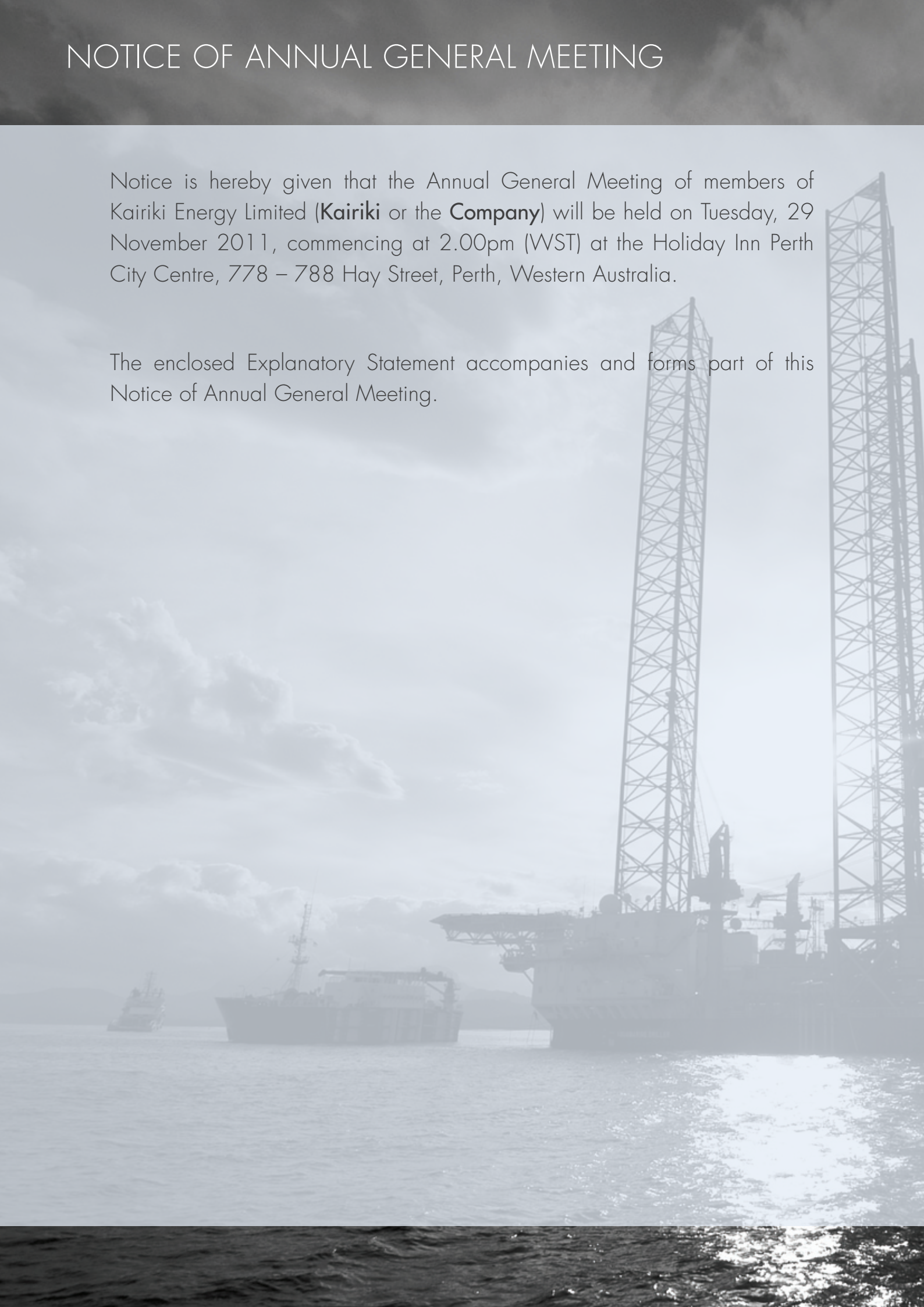
ABN 34 002 527 906

## NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of Kairiki Energy Limited (**Kairiki** or the **Company**) will be held on Tuesday, 29 November 2011, commencing at 2.00pm (WST) at the Holiday Inn Perth City Centre, 778 – 788 Hay Street, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Annual General Meeting.



## ORDINARY BUSINESS

### Accounts and Reports

*To receive and consider the annual financial report for the financial year ended 30 June 2011, together with the reports by directors and auditors thereon.*

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

#### 1. Resolution 1: Adoption of Remuneration Report

*That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2011 Annual Report for the financial year ended 30 June 2011 be adopted.*

**Note:** *The vote on this resolution is advisory only and does not bind the directors of the Company.*

#### Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- (c) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a prohibited person.

#### 2. Resolution 2: Re-election of Director (Mr P Fry)

*That Mr Paul Fry, being a Director of the Company who retires by rotation in accordance with Clause 3.6 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.*

#### 3. Resolution 3: Re-election of Director (Mr D Maclean)

That Mr Duncan Maclean, being a Director of the Company who was appointed by the Company's Board of Directors since the last Annual General Meeting, retires in accordance with Clause 3.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

### Voting at Annual General Meeting

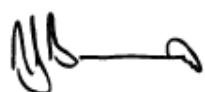
The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 2.00pm (WST) on 27 November 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Annual General Meeting.

### Annual Report Online

The reports referred to in item 1. above are included in the Annual Report of the Company. In accordance with the arrangements for the distribution of Annual Reports, shareholders who did not elect to receive a hard copy of the Annual Report can access the report on the company's website at [www.kairikienergy.com](http://www.kairikienergy.com).

## BY ORDER OF THE BOARD



Neville Bassett

Company Secretary

17 October 2011

# EXPLANATORY STATEMENT

## 1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Kairiki Energy Limited ("the Company") in connection with the business to be conducted at the annual general meeting of members to be held at the Holiday Inn Perth City Centre, 778 – 788 Hay Street, Perth, Western Australia on Tuesday, 29 November 2011 at 2.00pm (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

## 2. 2011 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2011 Annual Report will be tabled at the Annual General Meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, Rothsays, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

## 3. ADOPTION OF REMUNERATION REPORT – Resolution 1

### 3.1 General

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of the Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 Annual General Meeting. All of the Directors who were in office when the Company's 2012 Directors Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2011.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### 3.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of the Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, ***you must direct the proxy how they are to vote***. Where you do not direct the Chair, or another member of the Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

### 3.3 Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.



**Closely Related Party** of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) A child of the members spouse;
- (c) A dependent of the member or the members spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporations Regulations 2001 (Cth).

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2011.

#### 4. RE-ELECTION OF DIRECTORS: Resolutions 2 and 3

Resolutions 2 and 3 relate to the re-election of Mr Fry and Mr Maclean as Directors.

In accordance with the requirements of clause 3.6 of the Company's Constitution and the Corporations Act, one-third of the directors of the Company retire from office at this Annual General Meeting of the Company. Mr Paul Fry retires by rotation and, being eligible, offers himself for re-election.

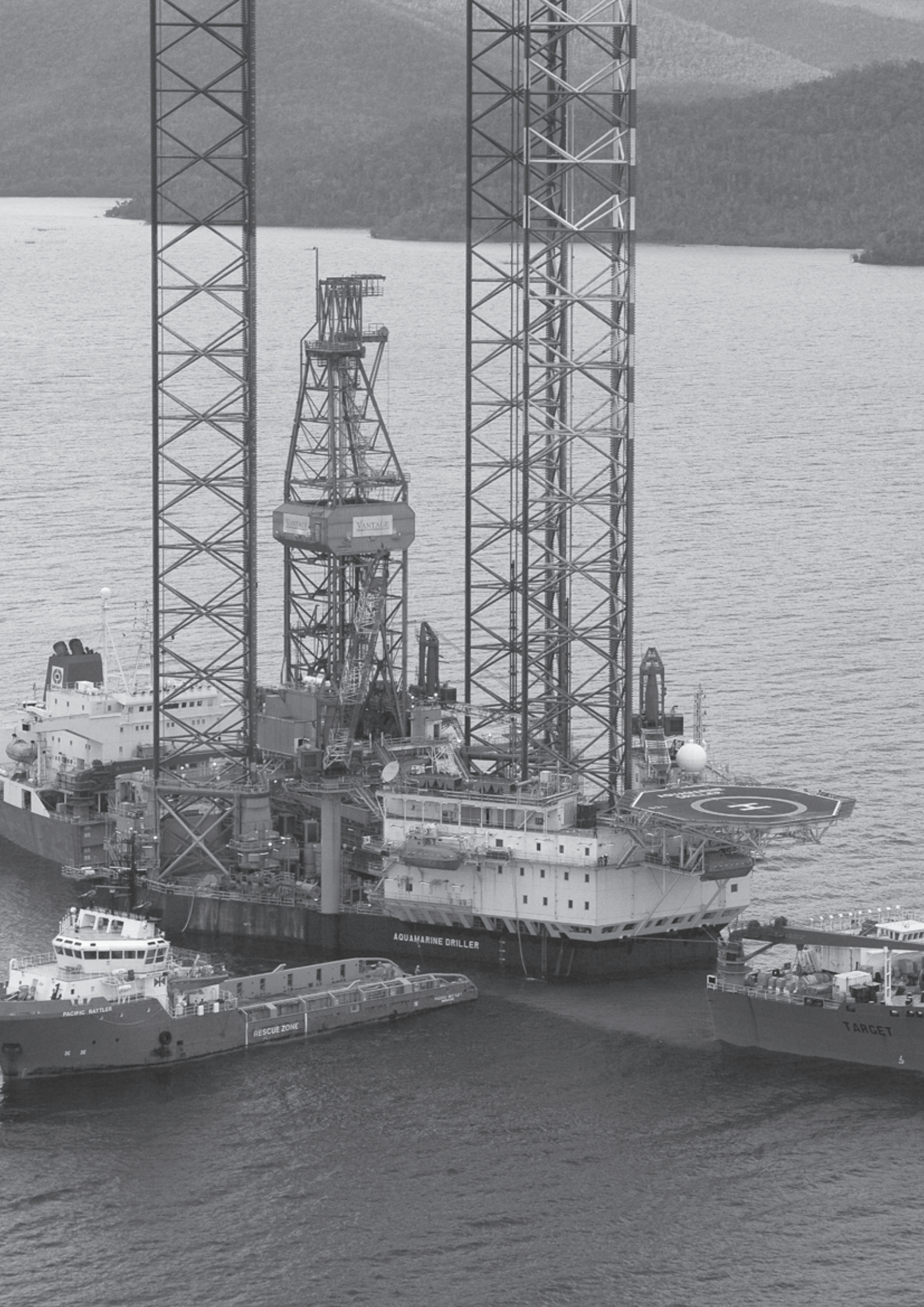
In accordance with the requirements of clause 3.3 of the Company's Constitution, Mr Maclean having been appointed since the last Annual General Meeting retires and, being eligible, offers himself for election.

A summary of the qualifications and experience of Messrs Fry and Maclean is provided in the Annual Report.

#### 5. DEFINITIONS

<b>ASX</b>	means ASX Limited ABN 98 008 624 691.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Directors</b>	means the current directors of the Company.
<b>Explanatory Statement</b>	means this Explanatory Statement.
<b>Kairiki or the Company</b>	means Kairiki Energy Limited ABN 34 002 527 906.
<b>Notice</b>	means the notice of annual general meeting which forms part of this Explanatory Statement.
<b>Shareholder</b>	means the holder of a fully paid ordinary share in the capital of the Company





AQUAMARINE DRILLER

PACIFIC BATTLER

RESCUE ZONE

TARGET

The Secretary  
Kairiki Energy Limited  
Suite 3, Churchill Court  
331 - 355 Hay Street  
Subiaco WA 6008

I/We (full name) \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Kairiki Energy Limited, hereby appoint as my/our proxy

\_\_\_\_\_

of \_\_\_\_\_

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the Annual General Meeting of the Company to be held at 2.00pm on Tuesday, 29 November 2011 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – P Fry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – D Maclean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Where permitted, the Chairman intends to vote all undirected proxies in favour of all resolutions.*

If the member is an individual or joint holder:

Usual Signature \_\_\_\_\_ Usual Signature \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

If the member is a Company:

Signed in accordance with the  
Constitution of the company  
in the presence of:

\_\_\_\_\_  
Director/Sole Director      Director/Secretary      Sole Director and Sole Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011.





# INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.

**5. Important for Resolution 1:**

If the Chair of the Meeting or any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is your proxy and you have not directed the proxy how to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company or Closely Related Party of a member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

## LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 2.00pm (WST) on 27 November 2011. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Kairiki Energy Limited  
Suite 3, Churchill Court  
331 - 355 Hay Street  
Subiaco WA 6008

By mail: Kairiki Energy Limited  
Suite 3, Churchill Court  
331 - 355 Hay Street  
Subiaco WA 6008

By fax: (08) 9388 6744

