



15 March 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 fully underwritten pro-rata renounceable rights issue pursuant to the Prospectus dated 4 February 2011, closed on 11 March 2011 (**Rights Issue or Offer**).

The Rights Issue offered, to eligible shareholders, one (1) new share for every three (3) shares held on the record date, at an issue price of 3 cents per share. For every two shares subscribed for in the Rights Issue, the applicant will receive 1 “piggy back” option. The primary option is exercisable at 4 cents during August 2011 and will expire on 31 August 2011. The primary option is exercisable into one share and a secondary option which is exercisable at 5 cents and expires on 31 August 2013.

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

	<b>Number</b>	<b>Subscription amount at 4 cents per share</b>
Total Shares offered	296,630,666	\$8,898,919.98
Shares validly applied for under the Offer	269,390,776	\$8,081,723.28
<b>Shortfall available to be placed by the Underwriter</b>	<b>27,239,890</b>	<b>\$817,196.70</b>

The 27,239,890 shortfall shares will be placed by the underwriter, Patersons Securities Limited, pursuant to the terms of the underwriting agreement.

Yours faithfully

N J Bassett  
Company Secretary