



19th August 2011

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

Rights Issue Update

Kairiki Energy Limited wishes to remind shareholders that rights trading in the recently launched Renounceable Pro-rata Rights Issue closes on Friday 19 August 2011, and that Closing Date for the Offers under the Rights Issue is 26 August 2011.

Rights Issue Terms

The basic commercial terms of the Rights Issue are set out below:

- A Rights Issue of three (3) new shares for every two (2) existing shares held with a 1 for 4 “piggy pack” option to raise a minimum of \$6.0m and up to \$7.1m.
- The piggy pack option is exercisable at 0.4 cents and expires on 30 June 2013. This option is exercisable into one share and a secondary option which is exercisable at 0.4 cents and expires on 30 June 2015.

Loyalty Bonus Option

In addition, shareholders (subject to holding their new shares on a record date to be determined, but approximately 6 weeks after the Closing Date) will be entitled to one (1) loyalty option for every two (2) shares held. The loyalty option will be issued on the same terms as the piggy back option.

Details of the Offer are provided in the Prospectus sent to shareholders and are also available on the Kairiki website at www.kairikienergy.com

Neville Bassett
Company Secretary