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ASX Limited
ASX Market Announcements
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SYDNEY NSW 2000

KAIRIKI ENERGY LIMITED ANNOUNCES BOARD CHANGES AND PLANS FOR CAPITAL RAISING

The Directors of Kairiki Energy Limited ("Kairiki") are pleased to announce that its convertible note holder, IMC Oil and Gas Investments Limited ("IMC"), has entered into discussions to convert its debt into equity and support a capital raising process to recapitalise the company in the short term. The details of these processes will be agreed within the coming weeks.

As part of this arrangement, two new appointments have been made to replace departing board members, Dr. Mark Fenton and Duncan Maclean. IMC will nominate Robert Downey as non-executive director and Stephen Harrison has been independently appointed as non-executive director. In addition, Peter Cockcroft has assumed the role of executive chairman.

"It is a very positive development that our convertible note holder, IMC, is taking an active participation role in the Company going forward. I welcome Robert and Stephen to the Board," said Peter Cockcroft, Kairiki's executive chairman. "I look forward, with the assistance of the new board, to securing the recapitalization of Kairiki and charting a growth path for the company from a debt-free position. Kairiki will update the market on the arrangements for its recapitalization in the coming weeks as they are agreed."

Mr Cockcroft concluded, "I would like to say a special thanks to Dr Fenton, who has been managing director of Kairiki since late 2009. Mark has worked tirelessly over the last three years to commercialize the Company's assets in the Philippines. During his tenure he kept the company capitalized through a challenging joint venture development in SC54A and successfully farmed down the drilling of Gindara-1 to Shell Philippines in our SC54B Block. This gave our shareholders real upside exploration exposure when the well was drilled in mid 2011. He has also been instrumental in our board effort to recapitalize the company. Duncan Maclean has also played a major role in navigating Kairiki's path forward in the face of difficult market and commercial conditions. I wish both Mark and Duncan well in their future endeavors."

NEW BOARD MEMBERS

Robert Downey is a qualified solicitor who has practised mainly in the areas of international oil and gas law, corporate law, initial public offerings as well as mergers and acquisitions. He has extensive experience as an adviser, founder and director of various ASX, TSX and AIM companies including Grove Energy Limited, Segue Resources Limited, Rialto Energy Limited, North River Resources plc. and Alchemy Resources Limited. Downey is currently a director of Instinct Energy Limited.



Stephen Harrison is an accountant by background who has extensive experience in equity raising for resource small-caps. He has held various directorships in funds management, including Sanford C Bernstein and Co and Investec. Stephen has held a number of directorships in listed public companies in Australia and overseas. He was previously a director of Blue Energy Ltd and is currently a non-executive director of Exoma Energy Ltd.

P Cockcroft
Chairman