



25 March 2009

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

Kairiki Energy Enters Term Sheet Agreements to Farm-out its Mineral Tenements

Kairiki Energy is pleased to advise that it has entered into term sheet agreements to farm out its minerals tenements, as outlined below, to third parties effective immediately. The third parties will earn a 90% interest in the mineral tenements by funding 100% of the cost of all the exploration work required to maintain the tenements in good standing with the Department of Mines and Petroleum. Kairiki will receive as consideration the following:

- 10% of the net proceeds on certain tenements up to a sum of A\$250,000 and a 1% net smelter royalty thereafter; and
- for the remaining tenements, 10% of the net revenue after 5,000 ounces of gold has been produced.

These transactions, which are subject to executing farm-out agreements, will provide Kairiki with a 10% free carry interest on its mineral tenements.

Schedule of Tenements

M29/141	M 25/129
P29/1817	P 25/1932
P29/1818	P 25/1933
P29/1819	P 25/1934
P29/1820	P 25/1937
P29/1821	P 25/1938
P29/1822	P 25/1940
P29/1823	P 25/1942
E31/405	P 25/1944
M 25/24	P 25-1993
M 25/83	E 25/345
M 25/91	

For further information please contact:

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Company Highlights

- ASX listed oil and gas company with high impact projects in proven oil basins
- Pursuing options to rapidly commercialise Philippines discoveries targeting first oil in 2010
- Ongoing farm-out activities being undertaken on Philippines and Sicily channel acreage
- Quality board and management team