



30 April 2009

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

Kairiki Executes Farm-out Agreement

Kairiki Energy is pleased to advise that its wholly owned subsidiary, Yilgarn Petroleum Philippines Pty Ltd, has executed a formal Farm-Out Agreement with Focus Oil and Gas SC54 Pte Ltd, a wholly owned subsidiary of Focus Oil and Gas Pte Ltd (Focus), pursuant to its previously announced Letter Agreement. Focus is a private oil and gas investment company, headquartered in Singapore.

The Farm-Out Agreement has been entered into on terms consistent with those previously announced. Completion of the Farm-Out Agreement is conditional upon Focus concluding financing arrangements with its investors by 2 June 2009. Once these finance arrangements are concluded, Focus will pay Kairiki US\$7 million and fund the next US\$6 million of Kairiki's share of the Service Contract (SC) 54A work program (equivalent to a carry for Kairiki over the next US\$26 million of work program in SC 54A). This results in a total consideration of US\$13 million payable to Kairiki for a 17% interest in the inboard portion of SC 54. In addition, the Farm-Out is conditional upon obtaining all necessary joint venture, regulatory and relevant government approvals.

Mr Laurie Brown, Kairiki's Managing Director, stated "This is a landmark deal for Kairiki. We are extremely pleased to have executed a formal farm-out agreement with Focus, a strategic partner of choice, as we embark together on maturing our inboard portfolio to deliver a production-led revenue stream in the near-term; a key goal in Kairiki's transformation into an E&P company. In parallel with execution of the formal farm-out agreement with Focus, we have also made significant progress towards obtaining the necessary joint venture approvals.

We look forward to updating the market as this transaction proceeds."

For further information please contact:

Laurie Brown
Managing Director
Kairiki Energy Limited
61 (8) 9388 6711

Company Highlights

- ASX listed oil and gas company pursuing high impact projects in proven oil basins
- Ongoing farm-out activities in the Philippines being undertaken
- Focus on commercialising Philippines discoveries targeting First Oil in 2010
- Quality board and management team