

**Kairiki Energy Limited**  
ABN 34 002 527 906

***Notice of General Meeting***

***Explanatory Statement***

***and***

***Proxy Form***

**KAIRIKI ENERGY LIMITED**  
**ABN 34 002 527 906**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Shareholders of Kairiki Energy Limited (**Kairiki** or the **Company**) will be held on Friday, 24 September 2010 commencing at 10.00am at the Medina Grand Hotel, 33 Mounts Bay Road, Perth, WA.

The enclosed Explanatory Statement accompanies and forms part of this Notice of General Meeting.

**AGENDA**

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

**Resolution 1 – Re-election of Director - Dr Mark Fenton**

*“That Dr Mark Fenton being a director of the Company who was appointed since the last annual general meeting of the Company, retires in accordance with clause 3.3 of the Company’s constitution, and, being eligible and having consented to act, be appointed a Director of the Company with effect from the close of this meeting”*

**Resolution 2 - Ratification of Placement – 25 June 2010**

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the prior issue and allotment of 46,700,000 fully paid ordinary shares, at an issue price of 14 cents per share, to institutional and other exempt investors.”*

<p>The Company will disregard any votes cast on this resolution by the parties who participated in the issue as listed in the Explanatory Statement and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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For the purposes of determining voting entitlements at the general meeting, Shares will be taken to be held by persons who are registered as holding Shares at 10.00am on 22 September 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of General Meeting.

**By Order of the Board**

**Neville Bassett**  
Company Secretary  
20 August 2010

## **EXPLANATORY STATEMENT**

### **1. INTRODUCTION**

This Explanatory Statement has been prepared for the information of Shareholders of Kairiki Energy Limited in connection with the business to be conducted at the general meeting of Shareholders to be held at 10.00am on Friday, 24 September 2010 at the Medina Grand Hotel, 33 Mounts Bay Road, Perth WA.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

### **2. RESOLUTION 1 – ELECTION OF A DIRECTOR**

Clause 3.3 of the Company's constitution requires that a Director appointed since the last AGM will hold office until the next general meeting of the Company when the Director may be elected.

Dr Mark Fenton who was appointed as a Director on 1 December 2009, is accordingly required to retire and being eligible, is seeking election by Shareholders. Resolution 1 seeks Shareholder approval for the election of Dr Mark Fenton as a Director of the Company.

Dr Mark Fenton

Dr Fenton has extensive experience in the oil and gas industry with over 24 years in operating oil and gas companies, including several years in executive management roles. Mark has extensive experience in both offshore and onshore oil field developments particularly in SE Asia and the Middle East. Mark has held a range of technical, management and executive positions with international and Australian oil and gas majors as well as smaller ASX-listed oil companies during his career.

Dr Fenton has a PHD in Geology and also a Bachelor of Science (Honours) in Geology from the University of Melbourne. He is also a member of the Society of Petroleum Engineers (SPE). Mark brings strong executive leadership and commercial experience as well as a wealth of international technical and operating skills in project development, exploration and project acquisition.

Recommendation

Existing Directors, Paul Fry, Lawrence Brown and Ms Jyn Baker recommend that Shareholders vote in favour of this resolution.

### **3. RESOLUTION 2 - RATIFICATION OF SHARE ISSUE**

Resolution 2 has been included so that shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue on 25 June 2010 of 46,700,000 Shares to institutional and other exempt investors pursuant to a placement that was announced to the market on 21 June 2010.

Listing Rule 7.1 provides a formula which limits the number of equity securities the Company may issue to 15% of each class of securities issued within a 12 month period without shareholder approval. While the Shares issued above are within this 15% limit, the purpose of the Resolution is to ratify the above issue within the 15% limit to provide the Company with the flexibility to issue further securities in accordance with the Listing Rules should the need arise.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the shareholders subsequently approve it. This enables the company to issue further equity securities without exceeding the 15% in 12 months limitation.

The terms of the Shares issued are the same as the existing ordinary Shares on issue and, accordingly, rank equally in all respects with the existing ordinary Shares on issue.

Resolution 2 of the Notice of General Meeting proposes the ratification for the issue and allotment of 46,700,000 Shares, thereby satisfying the requirements of ASX Listing Rule 7.4.

On 21 June 2010 the Company announced that it had reached agreement to place 46,700,000 ordinary fully paid shares at \$0.14 per share to raise \$6,538,000 before expenses, to a number of institutional and other exempt investors.

The allotment and issue of Shares was completed on 25 June 2010.

In compliance with the information requirements of ASX Listing Rule 7.5 members are advised of the following particulars in relation to the placement:

(a) Number of securities allotted:

46,700,000 Shares.

(b) Price at which the securities were issued:

14 cents per Share.

(c) Terms of the securities:

The Shares rank equally in all respects with the existing Shares on issue.

(d) Basis on which allottees were determined:

The shares were issued to a number of institutional and other exempt investors, pursuant to section 708 of the Corporations Act.

No related party participated in the allotment of Shares.

(e) Intended use of funds raised:

The funds raised (\$6,538,000 before expenses of issue) will be used to fund the development of the company's Tindalo oil project in the Philippines and for working capital purposes.

#### 4. DEFINITIONS

<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Kairiki or the Company</b>	means Kairiki Energy Limited (ABN 34 002 527 906)
<b>Share</b>	means a fully paid ordinary share in the capital of the Company and <b>Shares</b> has a corresponding meaning.
<b>Shareholder</b>	means a holder of Shares in the Company.

## Proxy Form

The Secretary  
Kairiki Energy Limited  
Suite 3, Churchill Court  
331 - 355 Hay Street  
Subiaco WA 6008

I/We (full name)

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of \_\_\_\_\_  
being a member(s) of Kairiki Energy Limited, hereby appoint as my/our proxy

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of \_\_\_\_\_  
or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 10.00am on 24 September, 2010 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

The Chairman intends to vote all undirected proxies in favour of all resolutions.

### RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Re-election of Dr Mark Fenton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### *If the member is an individual or joint holder:*

\_\_\_\_\_  
Usual Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Usual Signature

2010

### *If the member is a Company:*

Signed in accordance with the  
Constitution of the company  
the presence of:

\_\_\_\_\_  
Director/Sole Director

Dated this \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

day of \_\_\_\_\_

\_\_\_\_\_  
Sole Director and Sole Secretary

2010

**NOTES**

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Suite 3, Churchill Court, 331-335 Hay Street, Subiaco, WA 6008) or sent by facsimile to that office on Fax: 08 9388 6744 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.