



27 October 2010

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

Notification under section 708AA (2)(f) of the Corporations Act 2001 (Cth)

Kairiki Energy Limited ("Kairiki" or "the Company") gives notice under section 708AA (2)(f) of the Corporations Act 2001 (Cth) ("Corporations Act") that:

1. The Company will offer approximately 128,982,000 new fully paid ordinary shares for issue without disclosure to shareholders under Part 6D.2 of the Corporations Act pursuant to a fully underwritten pro-rata renounceable rights issue announced to ASX on 25 October 2010 ("Rights Issue"). Under the Rights Issue eligible shareholders will be entitled to apply for one (1) new fully paid ordinary share in the Company for every five (5) shares held at the appropriate record date at an issue price of 4 cents per share. The Rights Issue will raise approximately \$5,159,280 before costs if fully subscribed.
2. As at today's date:
 - a) the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
 - b) the Company has complied with section 674 of the Corporations Act being the requirement to meet its continuous disclosure obligations under ASX Listing Rules; and
 - c) there is no "excluded information" within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed under section 708AA(7)(d) of the Corporations Act.
3. The offer is a pro rata renounceable rights issue fully underwritten by Patersons Securities Limited (**PSL**).
 - a) If all shareholders of the Company on the record date of 8 November 2010 take up their entitlements under the Rights Issue, then the Rights Issue will have no effect on the control of the Company.
 - b) If the shareholders take up none or only some of their entitlements under the Rights Issue then the Rights Issue will have limited effect on control of the Company. Under the terms of the underwriting agreement with PSL, the Underwriter must ensure that no party will receive Shortfall Shares that in itself (ie. the amount of the shortfall) would result in a voting power in the Company equal to or greater than 10%.

If you have any questions in relation to the Rights Issue, please do not hesitate to contact the Company on (08) 9388 6711.

Neville Bassett
Company Secretary