

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Kairiki Energy Limited

ABN

34 002 527 906

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1,790	6,565
1.2 Payments for		
(a) exploration and evaluation	(317)	(440)
(b) development *	(8,193)	(25,927)
(c) production	-	-
(d) administration	(449)	(1,538)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	38
1.5 Interest and other costs of finance paid	(402)	(987)
1.6 Income taxes paid	(30)	(30)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(7,593)	(22,319)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(6)
1.9 Net proceeds from sale of:		
(a) prospects	-	1,174
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	1,168
1.13 Total operating and investing cash flows (carried forward)	(7,593)	(21,151)

1.13	Total operating and investing cash flows (brought forward)	(7,593)	(21,151)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc (net of costs)	11,486	19,418
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings – convertible notes (net of costs)	-	-
1.17	Repayment of borrowings – convertible notes	(1,982)	(1,982)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		9,504	17,436
Net increase (decrease) in cash held		1,911	(3,715)
1.20	Cash at beginning of quarter/year to date	2,880	9,028
1.21	Exchange rate adjustments to item 1.20	(141)	(663)
1.22	Cash at end of quarter	4,650	4,650

* Development costs include costs associated with the abandonment and decommissioning of the Tindalo project after the decision was made on 29 December 2010 to abandon the well.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	95
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- payment of directors' fees;
- payment of consulting fees to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities – convertible note	7,303 (US\$7,530)	7,303 (US\$7,530)
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,560
4.2 Development	-
4.3 Production	-
4.4 Administration	380
Total	2,940

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,650	2,880
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	4,650	2,880

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter				
7.3 +Ordinary securities	1,187,522,664	1,187,522,664		Fully paid
7.4 Changes during quarter (a) Increases through issues: Placement Rights issue Placement (b) Decreases through returns of capital, buy-backs	 116,000,000 296,630,666 1,000,000	 116,000,000 296,630,666 1,000,000	 3 cents 3 cents 3 cents	 3 cents 3 cents 3 cents
7.5 +Convertible debt securities <i>(description)</i> Convertible Notes	10,000,000	-	US\$1 per note	US\$0.753 per note
7.6 Changes during quarter				
7.7 Options Unlisted options Listed options	 500,000 305,192,095	 - 305,192,095	 <i>Exercise price</i> 30 cents 4 cents	 <i>Expiry date</i> 31/5/2011 31/8/2011
7.8 Issued during quarter Listed options	 305,192,095	 305,192,095	 4 cents	 31/8/2011
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

