



15<sup>th</sup> June 2010

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

## Tindalo Production Update

Kairiki Energy Limited ("Kairiki") has been advised by Nido Petroleum Limited (ASX: NDO), the Operator of SC54A, of the following production information relating to the Tindalo-1 Extended Well Test (EWT) for the period through to 14<sup>th</sup> June 2010.

The cumulative production as measured in the FSO from the commencement of testing on 30<sup>th</sup> May 2010 to 00.00 hours on 14<sup>th</sup> June 2010 is as follows

Gross Fluid produced	62,092 bbls
Oil produced	56,708 bbls
Water produced	5,384 bbls

- Production rates have been varied by the Operator during this period to obtain data for reservoir management purposes. The field is currently being produced at a restricted gross fluid rate of approximately 5,000 - 6,000 bbls/day as the production processing system is not yet fully operational.
- Final commissioning of the production processing system involves the installation and testing of the oil-in-water metering. Once in place, produced water can be separated from oil and the oil then exported to the FSO. Commissioning is expected in the coming days thereby allowing the well to be operated at its optimal production rate thereafter.
- Samples of recovered water are currently being analysed to determine its origin (that is, water introduced during the drilling and completion process or formation water), and the Operator has advised that it will be providing updates on the EWT in due course.

### For further information please contact:

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### Capital Structure

Shares 514.209 m  
Unlisted Options 2.500 m  
Total: **516.709 m**

Convertible Notes 70.073 m

### Board of Directors

Paul Fry Executive Chairman  
Mark Fenton Managing Director  
Laurie Brown Executive Director  
Jyn Baker Non Exec Director

### Assets

Philippines:

- SC 54A - KIK: 30.1%

*Current Status:*

- Tindalo oilfield currently producing under EWT

- SC 54B - KIK: 40%

*Current Status:*

- Gindara prospect drill ready;
- Seeking farminee.

### Kairiki Energy Limited

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## Corporate Profile

Kairiki Energy is an Australian Based junior international oil and gas exploration and production company focussed on the Philippines. Kairiki holds a 30.1% interest in Service Contract 54A and a 40% interest in Service Contract 54B.

SC 54A measures 862 km<sup>2</sup> and contains the Tindalo, Yakal, Nido 1X1 and Signal Head oil discoveries and a substantial portfolio of similar low-risk reefal prospects. In December 2009, Kairiki announced that the SC 54A Joint Venture had approved the development of the Tindalo field with first oil expected in 2Q 2010 and an expected initial oil production rate of between 7,000-15,000 barrels of oil per day (2,450 – 5,250 bopd net to Kairiki.) The Tindalo development utilises a jack-up rig and a dynamically positioned storage vessel and is now in production. Based on a successful development at Tindalo a number of follow-up developments may be considered in SC 54A.

SC 54B measures 3184 km<sup>2</sup> and contains the Gindara prospect which has a mean unrisksed oil in place volume estimated by the Operator, of 634 million barrels. The Gindara prospect is a very large simple four-way closure at the Top Nido Limestone reservoir objective with an areal extent of 28 km<sup>2</sup>, a vertical closure of over 300m and is well located to receive hydrocarbon charge from the Palawan Trough. Kairiki is seeking to farm down its interest in SC 54B to accelerate drilling of the Gindara prospect.