



25th August 2010

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

Director Appointment and Resignation

The Directors of Kairiki Energy Limited ("Kairiki") are very pleased to announce the appointment of Mr John Morton as a non-executive Director with effect from 25 August 2010.

Mr Morton replaces Ms Jyn Sim Baker as IMC Group's nominee director on the Kairiki Board following Ms Baker's resignation from IMC in May 2010.

Mr Morton is Chief Portfolio Manager of IMC's resource investments and is based in Perth. Mr Morton has a Master of Applied Finance, Bachelor of Arts and Bachelor of Commerce. He is also a member of the Institute of Chartered Accountants (ICAA).

Mr Morton has in excess of 15 years experience in investments, strategy and corporate finance in both Australia and overseas having worked with Ernst & Young Corporate Finance and Rio Tinto.

Commenting on the appointment of Mr Morton, Mr Fry, Kairiki's Chairman said:

"We are delighted to have someone of Mr Morton's experience and calibre on the Kairiki Board. Mr Morton's experience will be particularly helpful as the company progresses its investments in the Tindalo development and nearby SC54B.

"I wish to also thank Jyn for her valuable contribution she has made over the past 22 months and would like to wish her well in her future endeavours."

For further information please contact:

Mark Fenton
Managing Director
Phone: +61 8 9388 6711

Capital Structure

Shares	560.909 m
Unlisted Options	2.500 m
Total:	563.409 m

Convertible Notes	70.073 m
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Board of Directors

Paul Fry	Non-Executive Chairman
Mark Fenton	Managing Director
Laurie Brown	Executive Director
John Morton	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.

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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 km² and contains the Tindalo, Yakal, Nido 1X1 and Signal Head oil discoveries as well as 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. The Tindalo development utilises a jack-up rig and a dynamically positioned storage vessel. Following a short project execution period, the Tindalo development tested oil at 18,689 bbls/d at the end of May 2010. Since that time, unexpected early water ingress to the well has resulted in the SC 54A Joint Venture preparing for a well re-entry and remediation programme to reduce or eliminate the water production. Based on a successful development at Tindalo a number of follow-up developments may be considered in SC 54A.

SC 54B measures 3184 km² 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 km², 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.