

24 April 2008

ASX Limited  
 Company Announcements Office  
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**Kairiki acquires interests in two adjacent high potential offshore Permits in the Sicily Channel Mediterranean Sea**

Kairiki Energy Limited (ASX:KIK) is pleased to announce that it has signed a Letter of Intent (“LOI”) to acquire a 30% interest in two contiguous offshore Exploration Permits, G.R. 15 PU and Kerkouane, from AuDAX Resources Limited (ASX:ADX). **G.R.15 PU**, is located offshore the island of Pantelleria southwest of Sicily in Italian waters and the **Kerkouane Permit** is located offshore northeast Tunisia (see figure below).

Kairiki will acquire interests in these Permits as part of its Area of Mutual Interest (“AMI”) agreement with AuDAX.





**G.R.15 PU – Pantelleria Permit (657km<sup>2</sup>, Italian waters):**

Under the LOI Kairiki will acquire a 30% interest in the Permit for US\$300,000 cash. Previous exploration work has identified a number of prospective targets, the standout being the drill-ready Sambuca prospect with a large resource potential. The operator, AuDAX, has previously announced that the Sambuca Prospect may contain prospective recoverable resources of up to 230 mmbbl. Though largely lying within Pantelleria, the Sambuca structure extends into the contiguous Kerkouane Permit across the Italian-Tunisian maritime border. The Joint Venture plans to mature the remaining inventory over the coming few months. The forward work program requires completing the tendering process for an offshore rig and receiving environmental approvals for offshore drilling.

**Kerkouane Permit (3847km<sup>2</sup>, Tunisian waters):**

Under the LOI Kairiki will also acquire a 30% interest in the Permit for US\$300,000 cash. In addition to the extension of the Sambuca structure the Kerkouane Permit contains the Dougga gas/condensate discovery drilled by Shell in the early 1980's lying immediately north of the Tazerka oilfield, also discovered by Shell in the early 1980's. The operator, AuDAX, has previously announced that Dougga is assessed to contain 29 mmbbls of condensate and 400 BCF of gas. Previous geological and geophysical work has identified several additional exploration leads and prospects and a commitment 2D seismic survey will mature the most promising of these. The Joint Venture plans to complete 400 km of 2D seismic acquisition and spud one well prior to permit expiry in February 2010.

Completion of these transactions is conditional upon the following:

- AuDAX completing the acquisition of the Pantelleria and Kerkouane Permits from Grove Energy Limited by 30 June 2008; and
- A mutually acceptable Sales and Purchase Agreement being executed between Kairiki and AuDAX by 30 June 2008.

Upon execution of the Sales and Purchase Agreement Kairiki will seek the relevant regulatory approvals.

These two permits strategically provide full access to the highly significant Sambuca prospect both sides of the Tunisian-Italian maritime border as well as to the Dougga gas/condensate discovery. Their acquisition at low cost is testament to the extensive network and experience of the AuDAX directors and demonstrates the value of the AuDAX AMI to Kairiki.

Kairiki's Managing Director Craig Gumley said;

"We are pleased that the AMI with AuDAX is bearing fruit, delivering Kairiki equity in two high potential contiguous Permits. The large drill-ready Sambuca prospect, straddling the joint Permit boundary, is arguably the best undrilled oil prospect in the Mediterranean. In addition, we have gained an equity stake in the proven Dougga gas/condensate resource, discovered when the gas price environment was extremely low. Both Permits provide growth opportunities beyond our Philippines asset."

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