



Suite 2, 16 Ord Street
West Perth WA 6005
PO Box 1779 West Perth
Western Australia 6872

abn: 66 127 735 442
tel: +61 8 9486 1122
fax: +61 8 9486 1011
kilgoreoilandgas.com.au

10 December 2010

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RENOUNCEABLE RIGHTS ISSUE - NOTICE PURSUANT TO PARAGRAPH 708AA (2)(F) OF THE CORPORATIONS ACT 2001 ("ACT")

On 16 November 2010, Kilgore Oil and Gas Limited (ASX: KOG) (**Company**) announced that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a renounceable rights issue (**Rights Issue**) on the basis of four (4) Shares for every one (1) Share held at the record date of 8 December 2010.

Shares under the Rights Issue will be offered at 0.1 cents per Share. The maximum number of Shares which may be issued under the Rights Issue is approximately 2,094,400,024 to raise approximately \$2.1 million.

An Offer Document will be mailed to eligible shareholders on 13 December 2010 together with personalised Entitlement and Acceptance Forms.

NOTICE UNDER s708AA OF THE ACT

The Company hereby notifies ASX under paragraph 708AA(2)(f) of the Act that:

- (a) the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (d) as at the date of this announcement, the Company has complied with section 674 of the Act; and
- (e) as at the date of this announcement, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

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- (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
- (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Gordon Sklenka', written over a light blue horizontal line.

GORDON SKLENKA
CHAIRMAN

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