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August 14, 2014

Attention: Shareholders of Kaisen Energy Corp. (“Kaisen” or the “Company”)

Subject: Non-brokered Private Placement Offering

Dear valued shareholders;

Further to our announcement in the June 2014 Kaisen newsletter, Kaisen initiated a non-brokered private placement (the “Offering”) for up to 2,000,000 common shares of the Company at a price of \$2.25 per share for total gross proceeds of \$4,500,000. The offering size was strategically determined in order to minimize shareholder dilution while still achieving maximum value growth in alignment with our strategic objective of seeking a potential liquidity event in the next 6-18 months.

In keeping with our commitment to all shareholders to provide further investment opportunity alongside future equity raises, we are offering shareholders the opportunity to participate in this private placement for any amount up to each shareholders existing investment level, subject to reduction if the offering is over subscribed. Demand for the offering has been substantial. With commitments received to date (including \$1.5 million from insiders), we are anticipating that the offering will be oversubscribed. In this event, we may increase the size of the offering after giving strong consideration to the impact on shareholder dilution and the potential for further enhancement of the Company’s strategic objectives. We will communicate any such investment limit changes closer to the date of closing.

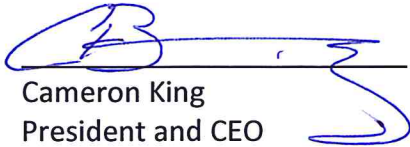
Attached is our Investment Opportunity Overview (the “Teaser”). The teaser has been utilized as the principle marketing document for this offering and provides an overview of the Kaisen properties, the intended use of proceeds from the offering, and the 2014 forecast operating and financial forecast.

By way of an operations update, in July Kaisen commenced with its’ \$12.5 million Q3/Q4 capital program by completing the first 4 vertical wells at Lone Rock with very positive results to date, and on August 15, we are scheduled to commence with drilling on the first of our 4 vertical wells at Edam. Further details of the full Q3/Q4 program are provided in the attached teaser. We estimate current field production to be approximately 1,200 boepd and anticipate exiting 2014 at approximately 1,400 boepd. The Q3/Q4 capital program has been strategically developed to ensure we maximize production and cash flow growth while also demonstrating Kaisen’s significant long term development opportunity. Presently, our sights are firmly fixed on flawless execution of our capital program which may culminate into the potential for a liquidity event in the not-so-distant future at attractive rates of return.

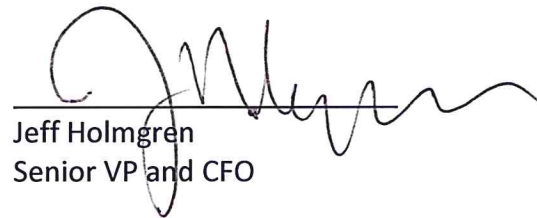
We have attached a common share subscription agreement which, if interested, needs to be completed and returned to Jeff Holmgren (Senior VP & CFO) along with a cheque in the amount of your investment no later than August 29, 2014. Wire transfers details can be provided upon request.

We sincerely appreciate your investment in Kaisen and we will continue to work tirelessly to ensure that maximum shareholder value is generated through to a liquidity event at the earliest opportunity. Please feel free to contact either of us if you have any further questions.

Sincerely,



Cameron King
President and CEO



Jeff Holmgren
Senior VP and CFO