



19th August 2010

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

SC 54A Tindalo Operations Update

Please refer to the attached ASX release of Nido Petroleum Limited, SC 54A Operator, for further details.

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
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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Tindalo Operations Update

Nido Petroleum Limited (Nido), as Operator of Service Contract 54A (SC 54A), is pleased to provide a status update on Extended Well Testing (EWT) activities at Tindalo.

Well testing is continuing at the field location and the following can be confirmed since the previous update on 9 August 2010:

- Some 177,276 barrels of oil (@60 deg F) are now in the storage tanks of the FSO giving an average daily net oil production since the last update of approximately 1,535 barrels of oil per day (excluding the downtime for the process system upgrade noted below);
- The Joint Venture's marketing agent, Trafigura Pte Ltd, has confirmed the sale of the first crude oil cargo from Tindalo. Some 200,000 to 230,000 barrels of oil have been sold to a buyer in South Korea, with the lifting expected in the second half of September;
- An advance on the proceeds from 173,655 barrels of crude oil from the first sale was received on 19 August. These barrels will remain stored aboard the FSO until the lifting;
- The SC 54A Joint Venture has approved the Tindalo-1 well intervention and remediation programme, and dependent upon the results of diagnostic logging that will be undertaken after well re-entry will involve one or more of the following options:
 - re-perforation deeper in the oil column;
 - water shutoff via cement squeeze; or
 - sidetrack drilling within the Nido Limestone.
- Nido, as Operator, is currently mobilising the necessary equipment and services to the field location for this work. In field operations are scheduled to commence in the first half of September and, subject to weather, anticipated to take 10-17 days to complete.

Since the last update, a shutdown and production processing system upgrade has been completed resulting in an improvement in the water handling capability of the system. In

addition plans are finalised for the disposal of the produced water currently held in the tanks of the FSO and water disposal is expected to commence in the next week. Work is continuing offshore to optimise production performance whilst meeting the stringent environmental compliance requirements of the Philippines.

Yours sincerely



Joanne Williams
Deputy Managing Director

For more information please contact:

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SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - Operator	42.4%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	30.1%
Trafigura Ventures III BV (Trafigura)	15.0%
TG World (BVI) Corporation (TG World)*	12.5%



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 unrisks 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.