



18 March 2008

ASX Limited
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Gindara Confirmed as Kairiki's First Exploration Well in the Philippines

Kairiki Energy Limited is pleased to announce that the Gindara Prospect (formerly named Coron North) has been selected by the Service Contract 54 ("SC 54") Joint Venture as the first exploration well to be drilled by the Joint Venture in SC 54. SC 54 is located offshore NW Palawan Basin, Philippines.

Please find attached a copy of the press release issued by the operator of SC 54, Nido Petroleum Limited.

For further information please contact:

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Gindara Confirmed as Nido's First Exploration Well

Nido Petroleum Limited (Nido), on behalf of Joint Venture partner Kairiki Energy Limited (Kairiki), is pleased to announce the selection of the Gindara Prospect (formerly named Coron North) as the first exploration well to be drilled by the Joint Venture in Service Contract 54 (SC 54), located offshore NW Palawan Basin, Philippines.

Jon Pattillo, Nido's Head of Exploration, commented, 'The Gindara Prospect is the first drill-ready prospect to emerge from the high quality Abukay 3D seismic data. Through our joint work with Kairiki, we have now assessed all the major technical risks critical for exploration success, confirming Gindara as a high value investment opportunity worthy of drilling as the first prospect in SC 54'.

'We are currently working to secure a suitable rig to drill the Gindara Prospect, and this will determine the final timing of the drilling. The global rig market is exceptionally tight at the present time, however, I am looking forward to confirming the well timing when the SC 54 Joint Venture has finalised a rig contract.'

Technical

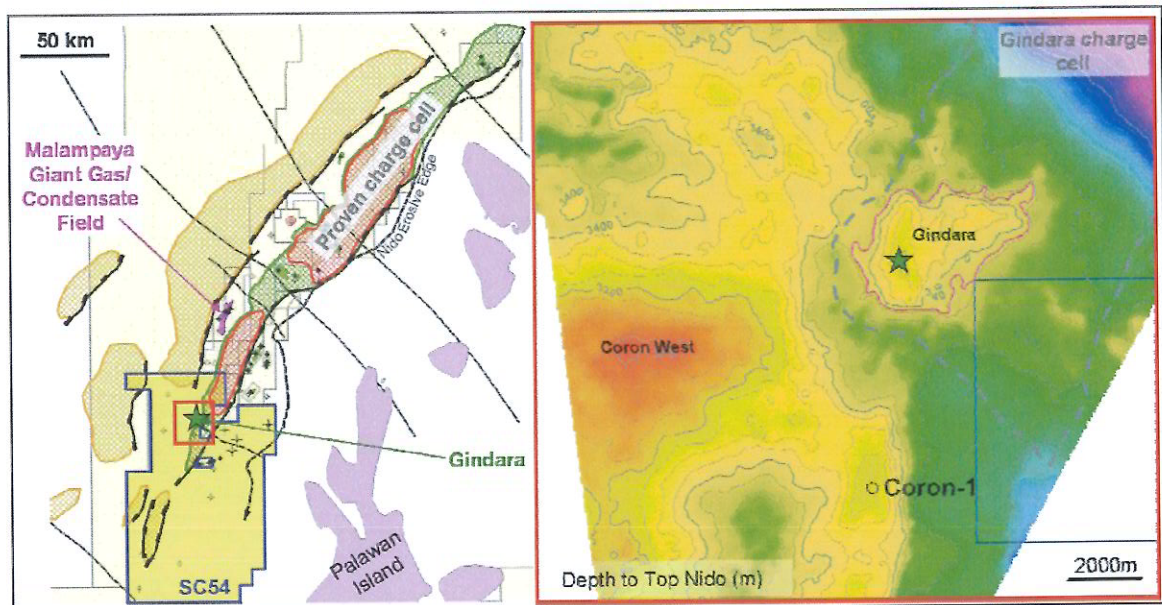
Following a detailed technical review of the Abukay 3D seismic data acquired in late 2006, the Gindara Prospect has been matured into a large, robust, four-way dip closed structure with a maximum areal extent of 11 km² and a closure height of up to 210 metres. In line with previous reports based on the preliminary review of the data, Gindara has the capacity to accommodate in excess of 478 million barrels of oil in place, assuming the structure is filled to spill.

The Abukay 3D seismic data has dramatically enhanced the Joint Venture's understanding of the petroleum system within and adjacent to SC 54, significantly reducing the geological risk on the prospect and resulting in an outstanding drilling opportunity which has the potential to deliver a significant oil discovery.

High quality Nido Limestone carbonate reservoirs are expected at the Gindara-1 well location based on an equivalent section encountered in the Coron-1 well 6 km to the south of the Gindara structure. The Coron-1 well encountered a 150m gross reservoir section with a net to gross of 89% and an average porosity of 23%, which is amongst the best quality reservoir observed in the basin. Subsurface analysis has also

confirmed that the Gindara Prospect is linked to the same hydrocarbon source kitchen as the giant Malampaya field located 25 kms to the north east of the Gindara Prospect.

The map below illustrates the location of the Gindara Prospect within SC 54:

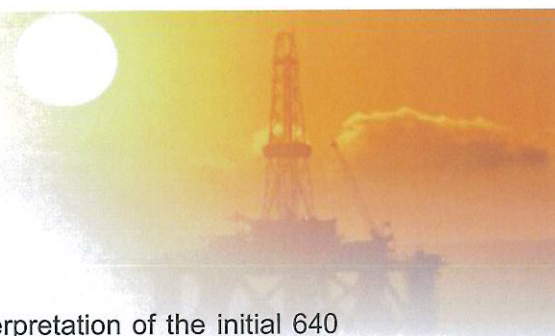


Importantly, the Abukay 3D interpretation has led to a critical understanding of the reasons for failure of the Coron-1 well. Although the well encountered minor oil and gas shows in the Nido Limestone section, it was located on the basis of 1993 vintage 2D seismic coverage. Detailed analysis of the 3D seismic data now confirms at best a small residual closure at the Coron-1 location; the most likely reason why the well was dry. Additionally, the Coron-1 well appears to be shielded from the main source rock kitchen by the large, more optimally located Gindara structure, providing further corroboration for the Coron-1 well being dry.

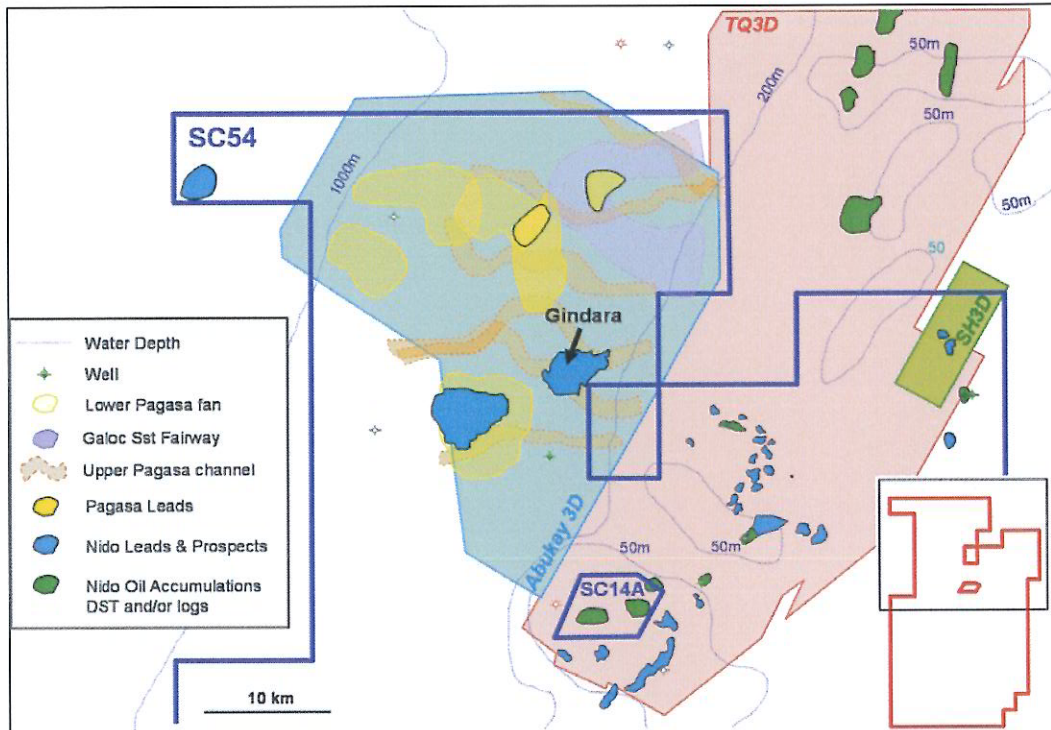
SC 54 Background Information

SC 54 is a large exploration permit covering an offshore area of 5,376 km² in the offshore NW Palawan Basin in the Philippines. SC 54 is on trend with the large Shell-operated and producing Malampaya field, which has estimated recoverable resources of 600 million barrels of oil equivalent.

SC 54 offers a diverse prospect and lead inventory of over 20 targets comprising shallow water low-risk pinnacle reefs, deeper water, larger carbonate structures, submarine fan mounds and channel systems defined on an extensive 3D data base of over 1,000 km². The majority of the prospects lie in water depths of between 50 and 800 metres (refer SC 54 Prospect and Lead map below).



The Joint Venture is in the process of completing its interpretation of the initial 640 km² 3D survey data received in mid-October 2007. Processed seismic products relating to the remaining 165 km² of 3D data acquired in October 2007 will be received in second quarter of 2008.



Gindara is the first prospect to be matured from Nido's extensive 2D and 3D seismic acquisition campaigns conducted over its NW Palawan exploration portfolio in 2006 and 2007.

Nido plans to complete maturation of its NW Palawan Prospect Inventory by the middle of this year.

Yours sincerely



Jocot de Dios
President & CEO