

15 September 2008

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

### Yakal-1 Progress Report

Nido Petroleum Ltd (Nido) and its Joint Venture partner Kairiki Energy Ltd (Kairiki) are pleased to provide this progress report on the Yakal-1 well currently drilling in SC54, located in the NW Palawan Basin, offshore the Philippines.

As of the date of the last report, the Yakal-1 well was spud at 3:30am on 8 September 2008. Activities completed since that report include:

- 8 September the 30" conductor was driven to its planned measured depth of 216 mRT (metres below the rig table)
- 12 September 17 1/2" hole section was drilled through to the casing point at the top of the Pagasa Formation at a measured depth of 1242 mRT
- 14 September 13 3/8" casing was run and cemented in the 17 1/2" hole
- 15 September Preparations are currently being made to drill ahead in 12 1/4" hole.

The well program calls for the following next steps:

- Drill ahead in 12 1/4" hole through the Pagasa Formation to the casing point at the top of the Nido Formation at an approximate depth of 1815 mRT
- Run and cement 9 5/8" casing in 12 1/4" hole
- Drill ahead through the Nido Formation (primary reservoir target) in 8 1/2" hole to an approximate total well depth of 2006 mRT
- Run wireline logs to fully evaluate the Nido Formation
- If the wireline logs demonstrate there are non-commercial volumes of hydrocarbons or the well is dry, the well will be plugged and abandoned (P&A)
- If the wireline logs demonstrate potentially commercial hydrocarbon volumes, the well will be suspended pending extended well testing
- Rig down and move to Tindalo-1.

Yakal-1 is expected to take approximately three weeks to drill in total and during this time the daily drilling reports authored by the Philippine Department of Energy are available through a link on Nido's homepage [www.nido.com.au](http://www.nido.com.au) or at [www.pse.com.ph](http://www.pse.com.ph). Nido will continue to issue "milestone" progress reports to the market as appropriate during the campaign.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Joanne Williams', with a long horizontal flourish extending to the right.

**Joanne Williams**  
Deputy Managing Director

**For more information please contact:**

Ms. Joanne Williams  
Deputy Managing Director  
Ph: +61 8 9474 0000  
F: +61 8 9474 0099  
[www.nido.com.au](http://www.nido.com.au)