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Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Yakal-1 Over 40m High to Prognosis

Nido Petroleum Limited (Nido) and its Joint Venture partner Kairiki Energy Ltd (Kairiki) are pleased to provide this progress report on the Yakal-1 well currently being drilled in SC54, located in the NW Palawan Basin, offshore the Philippines. As of the date of the last report, the Yakal-1 well was preparing to drill ahead in 12 1/4" hole.

Since that report, the 12 1/4" section has been drilled into the top of the target reservoir section (Nido Formation) which was intersected approximately 43m high at 1772.8mRT (metres below the rig rotary table). Cuttings from the top Nido Formation have been recovered to surface and preliminary reports from the wellsite state that the cuttings demonstrate fluorescence/hydrocarbon shows.

Nido's Deputy Managing Director, Joanne Williams, said 'These are very encouraging results for Yakal-1, with the top of the target reservoir higher than expected and shows encountered. We are currently pulling out of the hole to set the 9 5/8" casing, after which we will drill through the reservoir and confirm any hydrocarbon accumulation with wireline logs.'

Yakal-1 is expected to take approximately three weeks to drill in total and Nido will continue to issue milestone progress reports to the market as appropriate during the drilling campaign.

Yours sincerely



Joanne Williams
Deputy Managing Director

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