

14 October 2008

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

Oil shows at Tindalo-1

Nido Petroleum Ltd (Nido) and its Joint Venture partner Kairiki Energy Ltd (Kairiki) are pleased to provide this progress report on the Tindalo-1 exploration well currently drilling in Service Contract 54 (SC54), located in the NW Palawan Basin, offshore the Philippines.

The Nido Formation reservoir was intersected at approximately 1635 mRT (metres below the rotary table) yesterday evening. The wet gas readings observed while drilling and cuttings recovered from the top reservoir demonstrating fluorescence are both indicative of the presence of hydrocarbons. Any hydrocarbon accumulation will be confirmed with wireline logs after drilling the 8 1/2" hole section.

Progress Update

As of the date of the last report the 30" conductor had been set at the planned depth of 202 mRT within the well. Activities completed since that report include:

- | | |
|------------|---|
| 9 October | 17 1/2" hole section was drilled through to the casing point at a measured depth of 1061 mRT; |
| 11 October | 13 3/8" casing was run and cemented in the 17 1/2" hole; and |
| 13 October | 12 1/4" hole section was drilled through to the casing point at the top of the Nido Formation primary reservoir target. |

The forward well program for Tindalo-1 calls for the following next steps:

- Run and cement 9 5/8" casing in 12 1/4" hole;
- Drill ahead in the Nido Formation in 8 1/2" hole to an approximate total well depth of 1800 mRT;
- Run wireline logs to fully evaluate the Nido Formation;
 - If the wireline logs demonstrate potentially commercial hydrocarbon volumes, the well will be capped and prepared for completion as a production well for extended well testing at a later date;

- If the wireline logs demonstrate there are non-commercial volumes of hydrocarbons or that the well is dry, the well will be plugged and abandoned (P&A); and
- Rig down and demobilise the rig from SC54.

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

Yours sincerely,



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