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

Tindalo-1 progress report

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

While drilling through the Nido Formation reservoir section, oil shows were observed, (demonstrated by elevated mud log wet gas readings and strong oil fluorescence in cuttings recovered to surface) down to a significant lost circulation zone encountered between 1,782 and 1784.5 mRT (metres below the rotary table). Drilling continued past this zone to a total well depth of 1,875 mRT.

A small volume of oil recovered at surface confirms the presence of a movable oil accumulation at Tindalo-1 and the planned wireline logging program over the reservoir interval commenced this morning in order to determine the extent of the oil column.

Progress Update

As of the date of the last report Tindalo-1 had drilled into the top of the Nido Formation reservoir at 1,635 mRT. Activities completed since that report include:

- 14 October 9 5/8" casing was run and cemented in the 12 1/4" hole;
- 16 October 8 1/2" hole section was drilled through to total depth of 1,875 mRT in the Nido Formation primary reservoir target; and
- 20 October Electric wireline logging commenced in the reservoir section.

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

- Complete wireline logging runs 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.

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,

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

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