



27 July 2009

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

SC 54 Update - Partitioning

Kairiki Energy Limited is please to advise that the Philippine Department of Energy approved the request of the Service Contract 54 joint venture partners to partition the Contract into two areas – Area 'A' and Area 'B'.

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

For further information please contact:

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Managing Director
Kairiki Energy Limited
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Company Highlights

- ASX listed oil and gas company pursuing high impact projects in proven oil basins
- Ongoing farm-out activities in the Philippines being undertaken
- Focus on commercialising Philippines discoveries targeting First Oil in 2010
- Quality board and management team

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Australian Securities Exchange Limited
Company Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Service Contract 54 Update – Partitioning

Nido Petroleum Limited (Nido) is pleased to advise that the Philippine Department of Energy approved the request of Service Contract 54 (SC 54) joint venture partners to partition the Contract into two areas – Area ‘A’ and Area ‘B’ (**see attached map**).

SC 54 is located in the Palawan Basin in the Philippines. Area ‘A’, the inboard, shallow water area, holds 4 discoveries, including Tindalo and Yakal which were made during Nido’s 2008 drilling campaign. Nido has previously announced its intention to fast-track first oil from Tindalo (subject to final investment decision) to deliver a second revenue stream to Nido in the near term.

SC 54 Area ‘A’ now encompasses some 867 sq. km covering the inboard, shallow water portion of the Contract area including the Tindalo and Yakal oil discoveries and the associated portfolio of shallow water discoveries and targets.

SC 54 Area ‘B’ covers some 3179 sq. km of the deeper water area of the block which contains the large Gindara Prospect along with several other attractive exploration targets. Participating interests in the two partitioned areas are as follows:

Participant	Participating Interests (%)
Nido Petroleum Philippines Pty Ltd (Operator) – “Nido”	60.0
Yilgarn Petroleum Philippines Pty Ltd – a subsidiary of Kairiki Energy	40.0

Nido’s Deputy Managing Director, Ms Joanne Williams, said “The partitioning of SC 54 will allow the Joint Venture partners to pursue the Tindalo Project (and mature the rest of the inboard area) more efficiently whilst maintaining our exploration efforts in the outboard in parallel where we are hunting larger targets such as the Gindara Prospect in SC 54B”.

“I am extremely pleased that the Philippine Department of Energy has approved the partitioning and is proactively working with the Joint Venture to further the development of another asset in the Palawan Basin,” she added.

The Service Contract obligations remain unchanged.

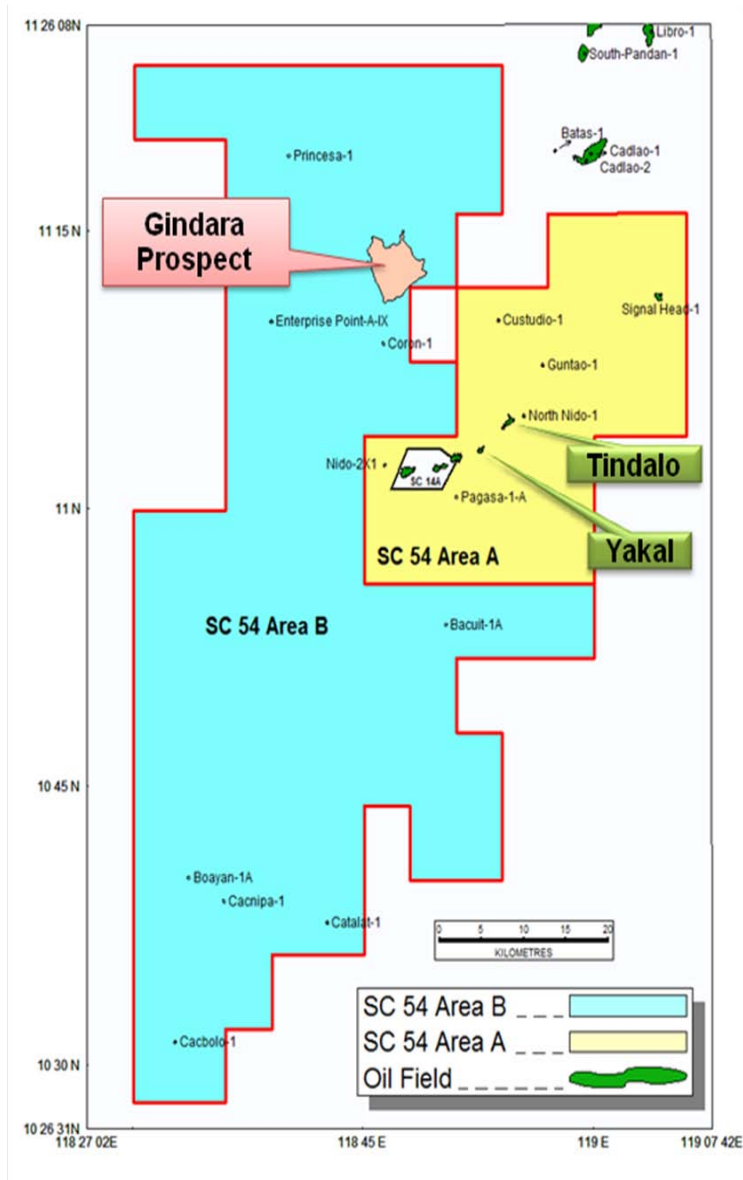
Yours sincerely

Joanne Williams
Deputy Managing Director

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Service Contract 54 (SC 54) – Area ‘A’ and Area ‘B’



About Nido Petroleum Limited

Nido Petroleum Limited is an oil and gas company with over 2,945,000 hectares (29,450 sq km) of exploration and development assets in the North West Palawan Basin in the Philippines.

Nido's core production asset includes a 22.879% interest in the Galoc oil field. Galoc lies within SC14 in 300 metres of water, some 60 km offshore of Palawan Island. The Galoc reservoir is some 2,200 metres below the sea floor and first production commenced 9 October 2008.

Just as Galoc started flowing oil, Nido completed drilling in the neighbouring exploration assets (SC 54) resulting in two new oil discoveries at Yakal and Tindalo, a 100% strike rate that punctuates a drought of over 14 years in the Philippines. Nido intends to fast-track the Tindalo development targeting first oil early 2010.