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Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

Gindara Prospect Update

Nido Petroleum Limited (Nido), as Operator of Service Contract (SC) 54 and on behalf of Joint Venture partner Kairiki Energy Limited (Kairiki), is pleased to provide a further update with respect to the Gindara Prospect in Service Contract 54 Block B (SC 54B).

Gindara Prospect Highlights

- ***3D seismic reprocessing has improved subsurface imaging and markedly reduced prospect risk***
- ***Prospect area now covers 28 km² (from 11 km²) with over 300m of vertical relief at the Top Nido Limestone reservoir objective***
- ***Unrisked mean Oil In-Place (OIP) volumes have increased from 470 to 634 million barrels with an unrisked upside of approximately 1 billion barrels***
- ***Gindara is the leading prospect in the SC54 Block B inventory and in Nido's NW Palawan Prospect and Lead Inventory***

Jon Pattillo, Nido's Head of Exploration, commented "Gindara has matured into an outstanding prospect and is now the highest ranked drilling candidate in Nido's NW Palawan exploration portfolio in terms of its excellent risk profile and potential significance to the Company. The prospect is comparable in scale to Shell's Malampaya field, 30km to the north, but located in only 320 meters of water and close to the Joint Ventures recent discoveries at Tindalo and Yakal in adjacent SC 54 Block A".

Participating interests in SC 54B are Nido Petroleum Philippines Pty Ltd (Operator, 60%) and Kairiki Energy Limited (40%). Refer to Figure 1 for location of SC 54B.

Impact of PSDM processing on Prospect risk and Volumes

The previous Gindara interpretation was based on a conventional time migrated 3D seismic volume and had delineated a large structural closure at the Top Nido Limestone primary objective. The SC 54B Joint Venture proceeded to reprocess the 3D survey as a Pre-Stack Depth Migrated 3D volume (PSDM) to improve certainty on the structure's size and the distribution of effective reservoir within the mapped closure.

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The PSDM processing was undertaken by CGGVeritas using their world-class specialists. The resulting PSDM volume is of excellent quality, achieving significant improvement in image resolution resulting in a high confidence interpretation as summarised below:

- The areal extent of the Gindara closure at the Top Nido Limestone objective has increased from 11 km² to ~28 km² with a vertical closure in excess of 300 meters (refer Figures 1 and 2)
- Gindara is now defined as a very large, simple four-way closure at the Top Nido Limestone primary objective. Trap risk is considered low, having markedly improved as a result of the PSDM interpretation.
- The greatly enhanced 3D image quality has enabled detailed internal mapping of the Nido Limestone reservoir distribution within the Gindara closure not previously possible on the original processing.
- Internal reservoir heterogeneities including the presence of local reefal build-ups are now discernible within the structure, providing greater confidence in the distribution of effective reservoir within the trap and importantly a better estimate of potential oil-in-place volumes. Reservoir risk has been substantially reduced as a consequence.
- The PSDM processing has further reduced charge and migration risk into the Gindara structure by improving the definition of the area of oil generation and migration that is thought to have charged the structure. This area extends to the north-east where mature source rocks located in the adjacent Malampaya Graben would have generated hydrocarbons. The Malampaya Graben is flanked by numerous oil and gas discoveries including the Malampaya field (>500 million barrels oil equivalent) operated by Shell Exploration and approximately 30 kilometres to the north of Gindara.

Revised Gindara Prospect Volumetrics

The increased closure and better constrained internal reservoir distribution has resulted in a material increase in oil-in-place estimates for Gindara (summarised below). Probabilistic assessment has resulted in unrisks mean oil-in-place (OIP) for the Nido Limestone reservoir of 634 million barrels. The unrisks upside potential (P10) is approximately 1 billion barrels.

Gindara	P90	P50	P10	Mean
OIP (MMbbls)	292	581	1022	634

Further upside is recognised in secondary, higher risk reservoirs at the shallower Miocene and deeper Pre-rift stratigraphic sections, both of which would likely be tested through the drilling of the Gindara prospect.

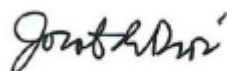
Gindara is now considered substantially de-risked following completion of the PSDM work and revised volumetrics. The prospect represents an outstanding high potential/low risk drilling candidate for the first well in SC 54B.

Participating Interests in SC54B

The participating interest in SC 54B are:

	Participating Interest %
Nido Petroleum Limited – via Nido Petroleum Philippines Pty Ltd (Operator)	60%
Kairiki Energy Limited	40%

Yours sincerely



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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 54A) 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.

Figure 1 Gindara Prospect - Top Nido Limestone Depth Map

SC 54 B Location Map

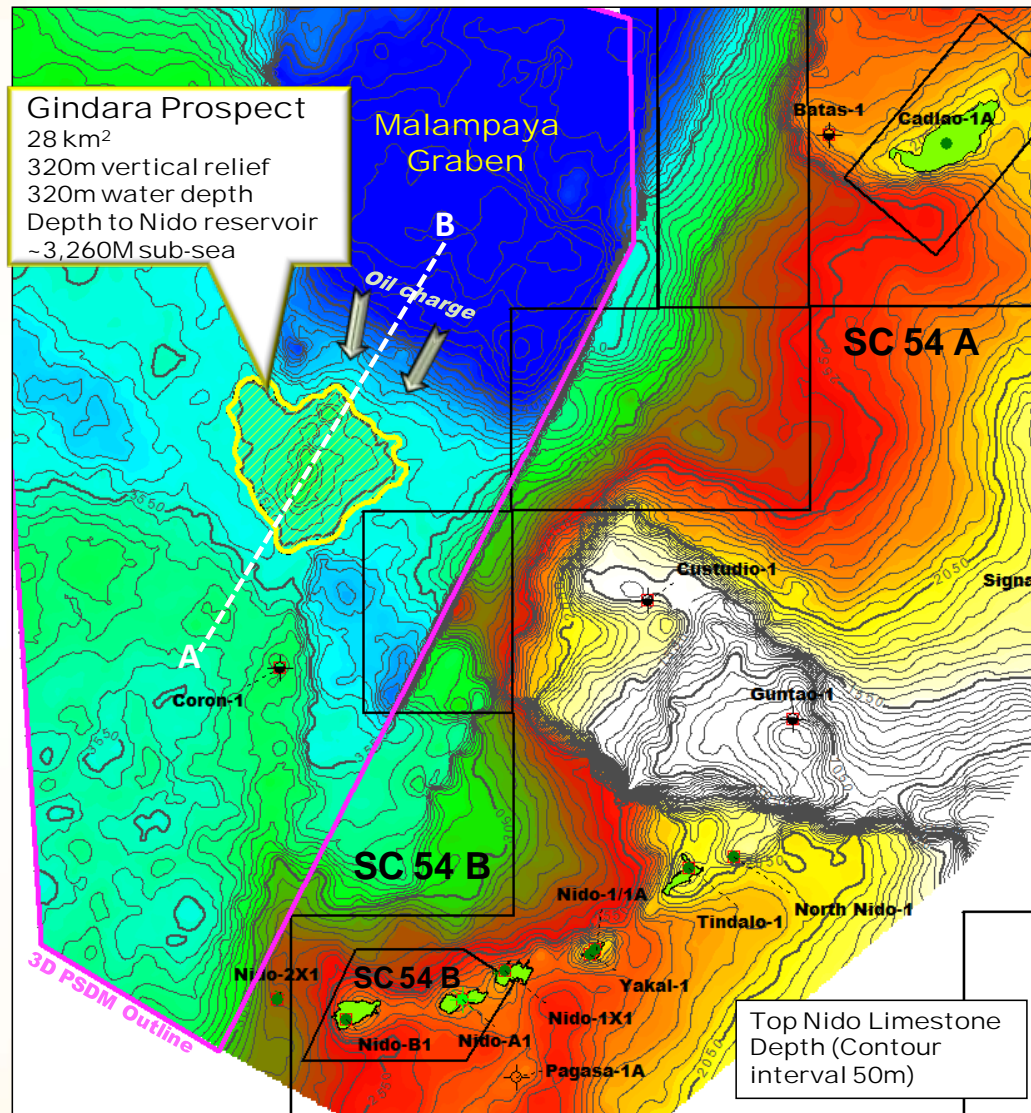
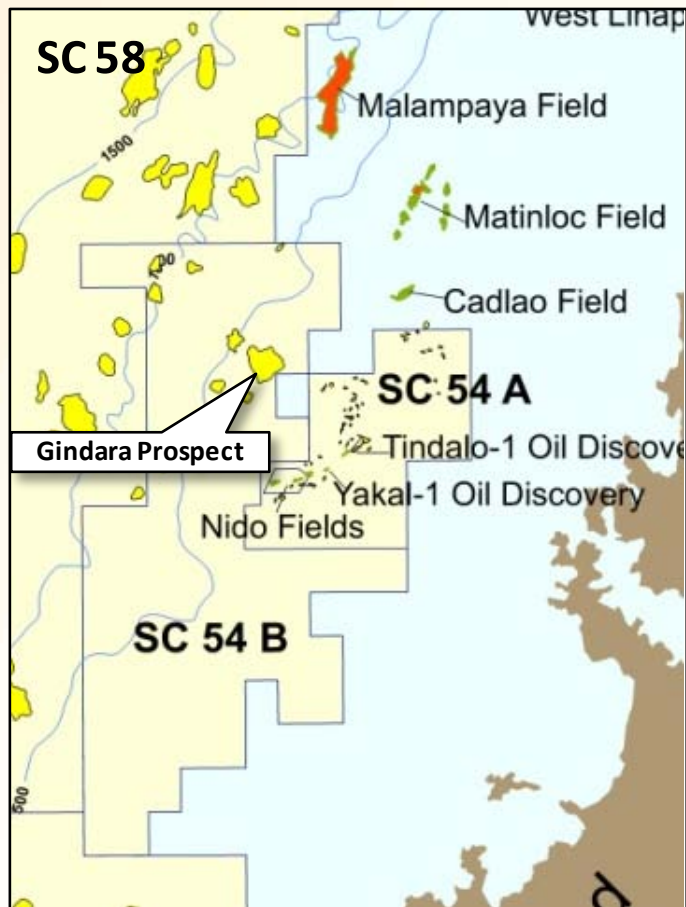
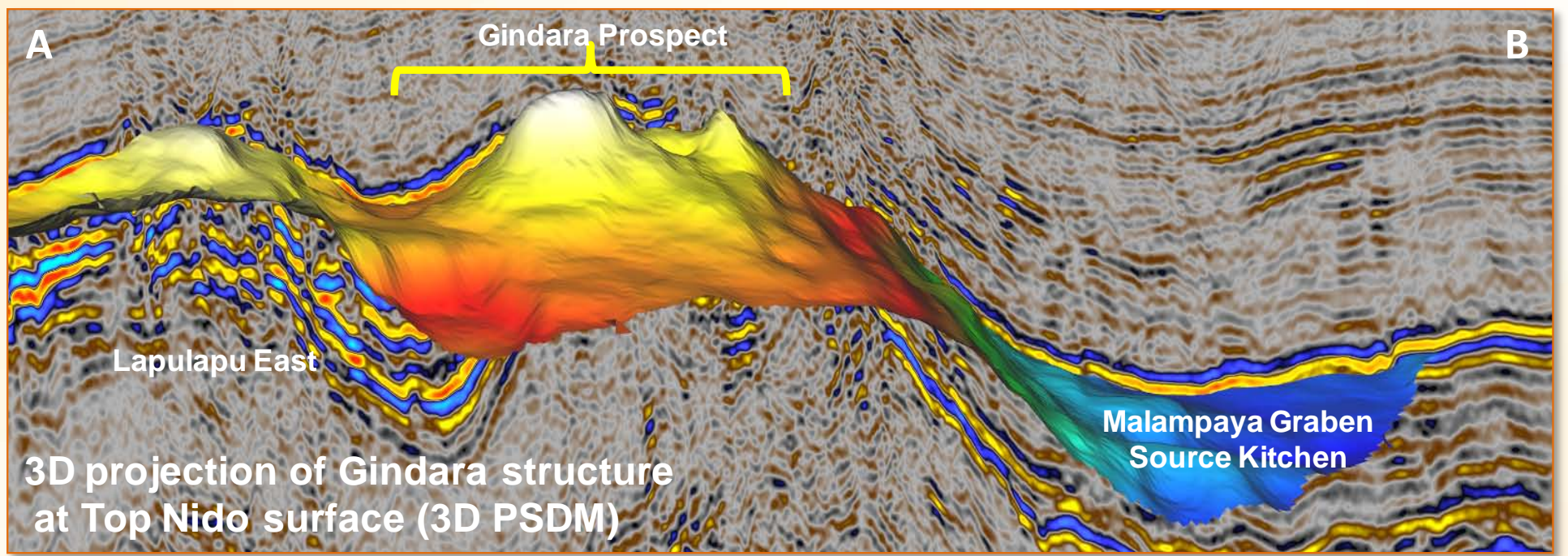




Figure 2

Gindara Prospect – Seismic x-section



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