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

(See Participating Interest Table Page 2)

### **Nido Secures Farmout to Trafigura for Tindalo Development**

- **Agreement to farmout 10% of Nido's interest in SC 54A (which includes the Tindalo development and Yakal discovery) to Trafigura**
- **Nido to retain a 50% participating interest and operator status in this highly prospective offshore block, located in the Palawan Basin in the Philippines**
- **Consideration totalling US\$7.6 million (~A\$8.5 million) in cash**
- **Trafigura to market Tindalo crude oil on Nido's behalf**
- **SC 54A Joint Venture is seeking to commence first oil in early 2010 targeting 10 – 15,000 bopd production**
- **Key funding element for the Tindalo development**

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Nido Petroleum Limited (ASX: Nido) achieved a significant milestone in the development of the Tindalo project after entering into an agreement with a subsidiary of Trafigura Pte Ltd (Trafigura) to farmout 10% of its current 60% interest in the highly prospective Service Contract 54 Block A (SC 54A).

The farmout agreement with Trafigura enables Nido to clear the path towards development of the Tindalo oil discovery followed by other targets within SC 54A, which contains significant additional contingent and prospective resources.

Consideration is a cash payment of US\$7.6 million (~A\$8.4 million) after which Trafigura will be responsible for its participating interest share of the development costs of the Tindalo oil field project. Nido is currently finalising arrangements for the rig and FSO and undergoing final investment decision (FID) approvals for the project.

Under the terms of a separate crude oil marketing agreement, Trafigura's affiliate Trafigura Pte Ltd will market Nido's net share of the crude oil produced from SC 54A.

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Nido's Deputy Managing Director, Ms. Joanne Williams, said, "This farmout achieves a key component of the Company's strategy of introducing strong strategic partners to the Company's significant acreage in the Palawan Basin in the Philippines and is a key funding element for the Tindalo development.

We are pleased to conclude this agreement today and warmly welcome Trafigura who have recognised SC 54A as a highly attractive opportunity and one which also has the potential to host significant additional oil resources in addition to the Tindalo and Yakal oil discoveries. We are delighted that Trafigura will bring to the Joint Venture a wealth of oil industry experience and marketing expertise to complement Nido's strengths. This investment is made more significant by the fact that Trafigura has a long standing relationship with Nido through its other Philippines crude oil production assets.

The Tindalo oil field development represents a significant milestone for Nido and Nido's first operated production asset. Tindalo will importantly supplement Nido's existing revenue streams and has the potential to provide significant cash flows to advance and mature Nido's portfolio of development and exploration prospects in the Palawan Basin."

Trafigura's Crude Trading Manager, Mr Richard King, said, "Trafigura was attracted to SC 54A as it presented an opportunity to participate in a rapid, low cost oil field development with the prospective for multiple follow-on projects in the near future, each of which has the potential for an attractive cash flow profile and rate of return. It also allows Trafigura to add significant value to the Joint Venture through its specialist expertise in downstream areas of the industry."

In conjunction with the signing of the farmout agreement, Joint Venture partner Yilgarn Petroleum Philippines Pty Ltd, a wholly owned subsidiary of Kairiki Energy Limited (ASX: KIK), has advised Nido that it has also reached a similar agreement with Trafigura to farmout 5% of Kairiki's 40% interest in SC 54A.

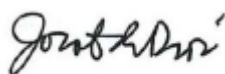
The farmout agreement is subject to final legal due diligence and Philippine government approvals and upon satisfaction of these conditions (and assuming that the corresponding agreements between Kairiki and Trafigura are also concluded) the participating interests in SC 54A will be:

Participant	Previous Participating Interest	New Participating Interest
<b>Nido Petroleum Philippines Pty Ltd (Nido) - Operator</b>	60.0%	<b>50.0%</b>
Yilgarn Petroleum Philippines Pty Ltd a wholly owned subsidiary of Kairiki Energy Limited (ASX: KIK)	40.0%	<b>35.0%</b>
Trafigura Ventures III BV (Trafigura)	0.0%	<b>15.0%</b>

As previously reported, the SC 54A Joint Venture's FID for the Tindalo oil field development is awaiting finalisation of the terms of major contracts and funding plan, of which this farmout is a key component. In order to keep to schedule, Nido has commenced the purchase of key long lead items such as the wellhead and christmas trees. Nido has been prepared to make this forward commitment with the confidence that the Tindalo oil field development is a robust project and strategically significant to Nido's future plans.

Work continues on the Tindalo project by teams in Nido's Perth and Manila offices.

Yours sincerely



**Jocot de Dios**  
President & CEO

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**About Trafigura**

Trafigura is one of the largest independent companies trading commodities today.

Key facts are:

- Turnover of US\$ 73 billion in 2008
- 1,900 employees in 60 offices in 42 countries worldwide
- In excess of US\$1.3 billion of industrial assets
- In excess of US\$900 million funds under management with Galena Asset Management
- 3rd largest independent oil trader in the world
- Over 2 million barrels of crude and oil products traded daily
- 2nd largest independent non-ferrous trading company in the world
- Over 8 million tons of concentrates traded per annum

They handle every element involved in the sourcing and trading of crude oil, petroleum products, renewable energies, metals, metal ores and concentrates for industrial consumers.

In the oil sector, Trafigura has access to over 30 million barrels of storage facilities through a combination of owned terminals and long-term lease agreements with third party oil terminals; they also time charter in excess of 60 vessels worldwide.

Further information is available at [www.trafigura.com](http://www.trafigura.com)

**About Nido Petroleum Limited**

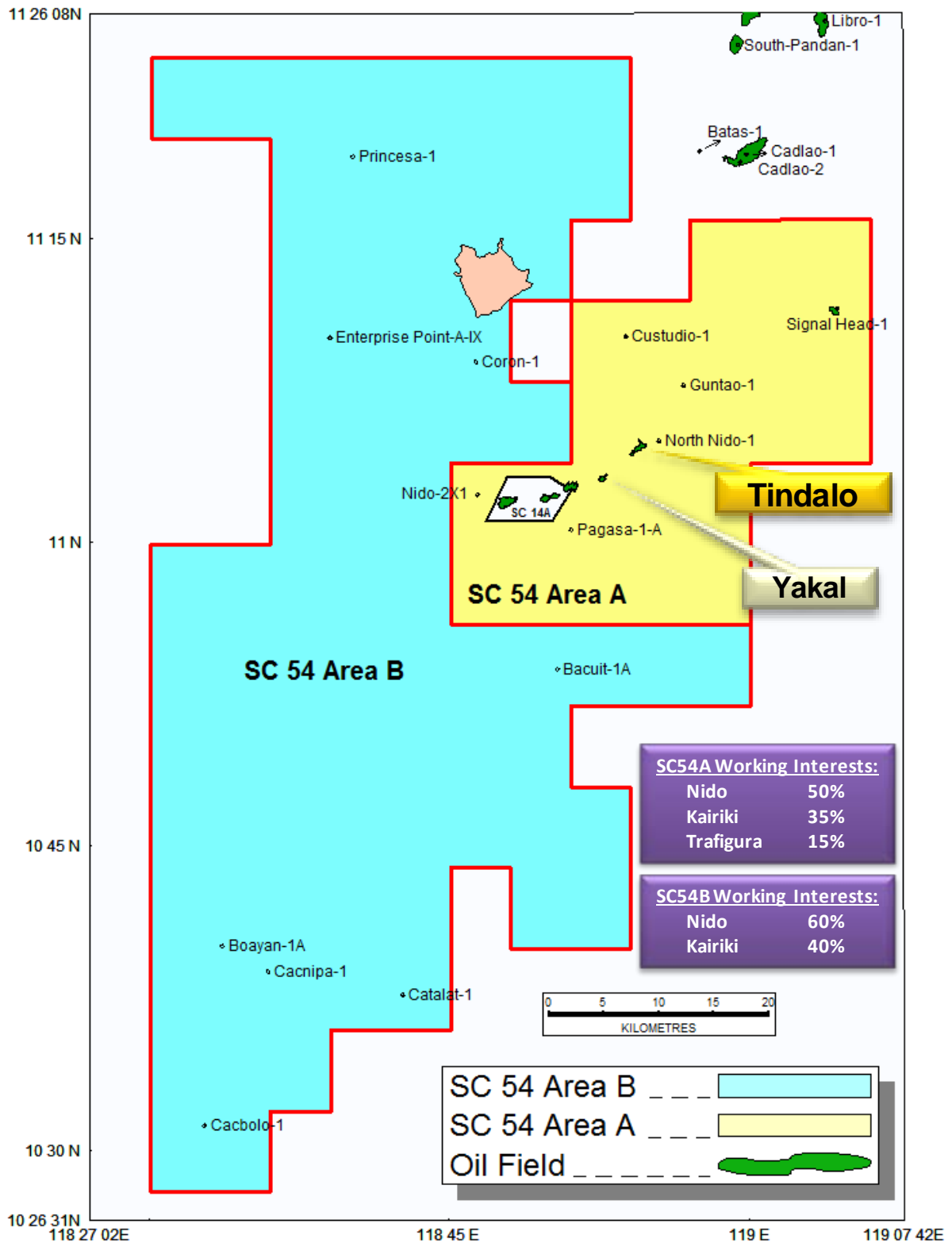
Nido Petroleum Limited is an oil and gas company with over 2,945,000 hectares (29,450 sq km) of exploration and development assets in the North West Palawan Basin in the Philippines.

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.

Further information is available at [www.nido.com.au](http://www.nido.com.au)

# Attachment: Permit Map



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