



24 February 2010

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

### Tindalo Development – Major Contracts Awarded

Please refer to the attached ASX release of Nido Petroleum Limited, SC 54A Operator in relation to the Tindalo project.

**For further information please contact:**

Mark Fenton  
Managing Director  
Phone: +61 8 9388 6711

#### Capital Structure

Shares	517.209 m
Unlisted Options	9.750 m
Total:	<b>523.959 m</b>

Convertible Notes	70.073 m
-------------------	----------

#### Board of Directors

Paul Fry	Executive Chairman
Mark Fenton	Managing Director
Laurie Brown	Executive Director
Jyn Baker	Non Exec Director

#### Assets

Philippines:

- SC 54A - KIK: 35%

*Current Status:*

- Tindalo oilfield under development;
- 1<sup>st</sup> Oil expected Q2 2010.

- SC 54B - KIK: 40%

*Current Status:*

- Gindara prospect drill ready;
- Seeking farminee.

#### Kairiki Energy Limited

Suite 3, Churchill Court  
331 – 335 Hay Street  
SUBIACO WA 6008  
AUSTRALIA

Phone: +61 8 9388 6711

Fax: +61 8 9388 6744

Website: [www.kairikienergy.com](http://www.kairikienergy.com)

ABN: 34 002 527 906



## Corporate Profile

Kairiki Energy is an Australian Based junior international oil and gas exploration company focused on the Philippines. Kairiki holds a 35% interest in Service Contract 54A and a 40% interest in Service Contract 54B.

SC 54A measures 862 km<sup>2</sup> and contains the Tindalo, Yakal, Nido 1-x-1 and Signal Head oil discoveries and a substantial portfolio of similar low-risk reefal prospects. Kairiki recently announced that the SC 54A Joint Venture has approved the development of the Tindalo field with first oil expected in 2Q 2010 with an initial oil production rate of between 7,000-15,000 barrels of oil per day (2,450 – 5,250 bopd net to Kairiki.) The Tindalo development will utilise a jack-up rig and a dynamically positioned storage vessel to develop the field. Based on a successful development at Tindalo a number of follow-up developments may be considered in SC 54A.

SC 54B measures 3184 km<sup>2</sup> and contains the Gindara prospect which has a mean unrisksed oil in place volume estimated by the Operator, of 634 million barrels. The Gindara prospect is a very large simple four-way closure at the Top Nido Limestone reservoir objective with an areal extent of 28 km<sup>2</sup>, a vertical closure of over 300m and is well located to receive hydrocarbon charge from the Palawan Trough. Kairiki is seeking to farm down its interest in SC 54B to accelerate drilling of the Gindara prospect.

24 February 2010

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

## Major Contracts Awarded for Tindalo Development

Nido Petroleum Limited (Nido) is pleased to advise on behalf of the SC54A Joint Venture that contracts for all of the major equipment required for the Tindalo oil field development have now been awarded. Nido, as Operator of the Service Contract 54A, has finalised contracts with:

- Knutsen Shuttletanker Pool AS for the Floating Storage and Offloading vessel; and
- Weatherford Asia Pacific Pte Ltd for the production processing equipment.

Nido's Deputy Managing Director, Ms. Joanne Williams, said, "The execution of these two contracts secures the last of the major components of the production and crude storage facilities for Tindalo. I am very pleased to be able to welcome Knutsen and Weatherford to the Tindalo project team - Knutsen brings over 100 years of international marine operations experience whilst Weatherford brings their global experience in many facets of oil and gas operations. Their support and experience will greatly assist us in developing our Tindalo project."

She went on to say, "We have been working closely with Knutsen and Weatherford over the last couple of months to maintain project schedule and it pleases me to say that the awarding of these contracts keeps us on track to deliver the project in line with our expectations at Final Investment Decision. The critical path item on the schedule to first oil is the date when the Aquamarine Driller comes on contract. This depends upon the release of the rig from its previous contract and is expected in April 2010."

### Floating Storage and Offtake (FSO) Vessel

The FSO, the M/T Tove Knutsen, is initially secured for a period of six months which may be extended at the Joint Venture's option for up to three years. It is a double hulled oil tanker that has the capacity to store over 600,000 barrels of oil and has spent the last few years operating as a shuttle tanker in the North Sea. During production, the vessel will be positioned nearby the Tindalo production facility and held on station using its dynamic positioning systems. Oil produced from the Tindalo well will be flowed to the vessel from the production processing system on board the rig via a floating hose arrangement and held in storage tanks until each cargo is lifted.

The Tove Knutsen has a dynamic positioning (DP2) system, which ensures 100% redundancy in vessel manoeuvring capability and will enable the vessel to respond in a quick and efficient manner to a wide range of weather conditions whilst maintaining production.



*The M/T Tove Knutsen (Photo courtesy of Knutsen OAS)*

The vessel will disconnect for cargo offtake operations and can easily disconnect and reconnect in the event of severe weather conditions if required. The vessel is now enroute to Singapore from the North Sea for some minor fit-out work in preparation for mobilisation to the field in April 2010.

### **Production Processing Equipment**

The Weatherford production processing equipment for Tindalo is a modular system currently being assembled in Batam, Indonesia. This equipment will be used during the initial well testing programme and remain in place for the subsequent normal production operations.

The production system will be installed on the deck of the jack-up drilling rig 'Aquamarine Driller' and has been designed to process a maximum of 20,000 barrels of crude oil per day. This equipment will also remove produced gas and water (if any) from the oil prior to its transfer to the FSO.

Along with the Tindalo oil production, only very minor amounts of gas are expected to be produced which will be separated from the oil in the processing equipment and flared. Whilst at the start of field life, the field is not expected to produce significant water volumes, in preparation for later in field life, the processing system will be capable of treating up to 16,000 barrels of water (from a total 20,000 barrels of fluid) to stringent water quality requirements.

Nido will provide further updates on the progress of the project upon the achievement of major milestones towards first oil and the next such event will likely be regarding the rig on-hire date.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Joanne Williams', with a stylized flourish at the end.

**Joanne Williams**  
Deputy Managing Director

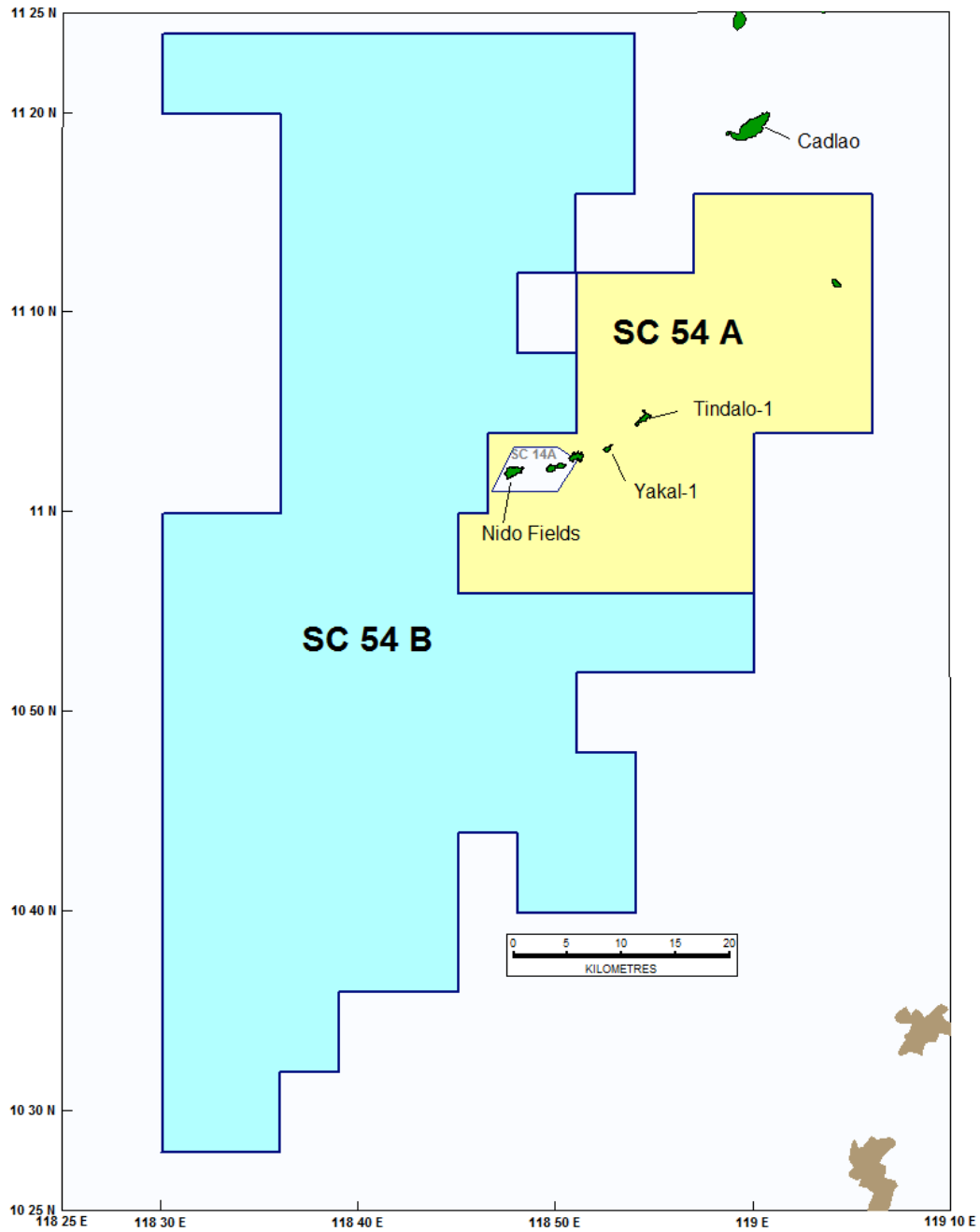
**For more information please contact:**

Ms. Joanne Williams,  
Deputy Managing Director  
Ph: +61 8 9474 0000  
F: +61 8 9474 0099  
[www.nido.com.au](http://www.nido.com.au)

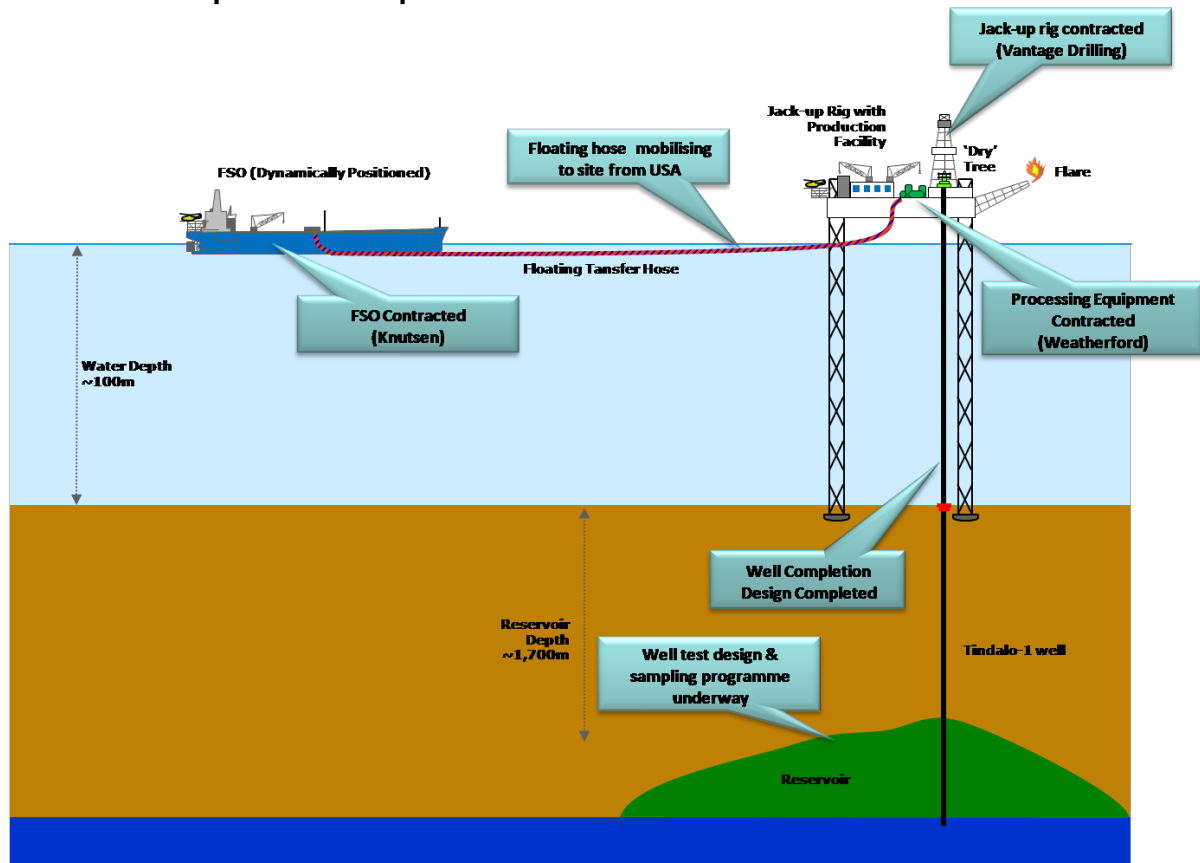
## SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - <i>Operator</i>	50%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	35%
Trafigura Ventures III BV (Trafigura)	15%

## SC 54A Location Map



## Tindalo Development Concept



## About Nido Petroleum Limited

Nido Petroleum Limited is an oil and gas exploration and production company with over 2,945,000 hectares (29,450 sq km) of contiguous exploration and development assets in the North West Palawan Basin in the Philippines. Nido is a leading explorer in the North West Palawan basin and the company's exploration portfolio extends across both the shallow (<100m) and deepwater (>1,200m) sectors of the North West Palawan continental margin which provides it with a diverse range of potential exploration and development projects in the Philippines premier producing basin. Nido operates SC 54A (50% interest), SC 54B (60% interest) and SC 58 (\*50% interest). Nido has a 50% non-operated interest in SC 63.

Nido's core producing asset is the Galoc oil field of which Nido has a 22.879% non-operated interest. Galoc lies within SC 14 in 300 metres of water, some 60 km offshore Palawan Island. First production commenced 9 October 2008 through a simple two-well sub-sea development concept tied back to a moored FPSO.

In 2008, Nido completed a successful two well exploration program in SC 54A which resulted a 100% strike rate yielding the Yakal-1 and Tindalo-1 oil discoveries. Nido is planning to augment Galoc production by fast-tracking the development of the Tindalo field with first production planned for 2Q 2010.

*\*Subject to: completion of the obligations under the Farm-out Agreement with PNOG; and DOE approval.*