



15th June 2010

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

Tindalo Production Update

Kairiki Energy Limited ("Kairiki") has been advised by Nido Petroleum Limited (ASX: NDO), the Operator of SC54A, of the following production information relating to the Tindalo-1 Extended Well Test (EWT) for the period through to 14th June 2010.

The cumulative production as measured in the FSO from the commencement of testing on 30th May 2010 to 00.00 hours on 14th June 2010 is as follows

Gross Fluid produced	62,092 bbls
Oil produced	56,708 bbls
Water produced	5,384 bbls

- Production rates have been varied by the Operator during this period to obtain data for reservoir management purposes. The field is currently being produced at a restricted gross fluid rate of approximately 5,000 - 6,000 bbls/day as the production processing system is not yet fully operational.
- Final commissioning of the production processing system involves the installation and testing of the oil-in-water metering. Once in place, produced water can be separated from oil and the oil then exported to the FSO. Commissioning is expected in the coming days thereby allowing the well to be operated at its optimal production rate thereafter.
- Samples of recovered water are currently being analysed to determine its origin (that is, water introduced during the drilling and completion process or formation water), and the Operator has advised that it will be providing updates on the EWT in due course.

For further information please contact:

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Managing Director
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Capital Structure

Shares 514.209 m
Unlisted Options 2.500 m
Total: **516.709 m**

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: 30.1%

Current Status:

- Tindalo oilfield currently producing under EWT

- SC 54B - KIK: 40%

Current Status:

- Gindara prospect drill ready;
- Seeking farminee.

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Corporate Profile

Kairiki Energy is an Australian Based junior international oil and gas exploration and production company focussed on the Philippines. Kairiki holds a 30.1% interest in Service Contract 54A and a 40% interest in Service Contract 54B.

SC 54A measures 862 km² and contains the Tindalo, Yakal, Nido 1X1 and Signal Head oil discoveries and a substantial portfolio of similar low-risk reefal prospects. In December 2009, Kairiki announced that the SC 54A Joint Venture had approved the development of the Tindalo field with first oil expected in 2Q 2010 and an expected 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 utilises a jack-up rig and a dynamically positioned storage vessel and is now in production. Based on a successful development at Tindalo a number of follow-up developments may be considered in SC 54A.

SC 54B measures 3184 km² 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 km², 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.

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Tindalo Operations Update

Nido Petroleum Ltd (Nido) provides this update on the Extended Well Testing at Tindalo.

A series of tests have been completed to further assess the productivity of the well and the source of the produced water. The following can be confirmed:

- Well productivity exceeded expectations with high rate testing confirming well productivity in excess of 18,500 barrels per day;
- Some 56,708 barrels of oil along with approximately 5,384 barrels of water have been produced from the well;
- The water processing equipment is not available for use due to an equipment fault and the field is being produced at a restricted rate of approximately 6,000 bbls/day for operational purposes. This equipment is scheduled to be replaced in the coming days thereby allowing production rates to be optimised; and
- The water that has been produced to date may be either fluid introduced to the reservoir during the drilling and/or completion of the well or alternatively it may be formation water. Produced water samples are being analysed in Singapore to confirm the water source.

Nido advises that it will provide a further update to the market once the reservoir management plan has been finalised including the optimised rate for the EWT.

Yours sincerely



Joanne Williams
Deputy Managing Director

For more information please contact:

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SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - Operator	42.4%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	30.1%
Trafigura Ventures III BV (Trafigura)	15.0%
TG World (BVI) Corporation (TG World)	12.5%

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 of 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 (42.4% interest), SC 54B (60% interest) and SC 58 (*50% interest). Nido also 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 currently working 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.