



13th September 2010

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

SC 54A Tindalo Operations Update

Please refer to the attached ASX release of Nido Petroleum Limited, SC 54A Operator, for further details.

For further information please contact:
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Managing Director
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Capital Structure

Shares	560.909 m
Unlisted Options	2.500 m
Total:	563.409 m

Convertible Notes	70.073 m
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Board of Directors

Paul Fry	Non-Executive Chairman
Mark Fenton	Managing Director
John Morton	Non-Executive 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 as well as 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. The Tindalo development utilises a jack-up rig and a dynamically positioned storage vessel. Following a short project execution period, the Tindalo development tested oil at 18,689 bbls/d at the end of May 2010. Since that time, unexpected early water ingress to the well has resulted in the SC 54A Joint Venture preparing for a well re-entry and remediation programme to reduce or eliminate the water 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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Australian Securities Exchange Limited
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SYDNEY NSW 2000

Tindalo Operations Update

Nido Petroleum Limited (Nido), as Operator of Service Contract 54A (SC 54A), is pleased to advise following update on the Tindalo-1 well intervention and remediation programme.

Tindalo-1 has been re-entered and the completion removed. The original programme next called for retrieval of the downhole perforation equipment to allow access to the wellbore for diagnostic logging which was proving to be a time-consuming exercise. Since the logging was a non-critical element of the remediation programme, the potential information gain was closely weighed against the cost to continue leading to a decision to cancel the logging program and proceed directly with the sidetracking the well.

The sidetrack programme has now commenced following the successful cementing of the existing wellbore and will effectively provide a new well drainage location in the crestal part of the field. Details of the forward program are summarised below: “

- Drilling of Tindalo-1ST1 will commence today;
- Tindalo-1ST1 will be drilled at a high angle to vertical and will intersect approximately 150m of reservoir section within the top 50m oil column;
- Once drilled, Tindalo-1ST1 will be completed barefoot with pre-drilled, slotted liner;
- The sidetrack activities are expected to be completed by the second half of September, following which the Extended Well Test will continue; and
- The offtake window for the first cargo has been planned to coincide with well activities and is scheduled for 16-18 September, subject to weather.

Nido's Deputy Managing Director, Ms Joanne Williams, said “The operational risk, cost and schedule impact of undertaking this sidetrack program has been greatly reduced by having the jack up rig ‘Aquamarine Driller’ on site and with access to the well. This flexibility was a critical risk management strategy employed during concept selection and final design of the Tindalo development.”

Nido will provide a further update on the progress the in-field operations once the well remediation work has been completed and the Extended Well Test has recommenced.

Yours sincerely



Joanne Williams
Deputy Managing Director

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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%