

29 December 2010

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

Tindalo Operations Update

Nido Petroleum Limited (ASX: NDO) (Nido), as Operator of Service Contract 54A (SC 54A), provides this update on the operations at Tindalo.

Since the last operations update on 22 December 2010, subsequent water analyses from Zones 1, 2 and 3 indicated that produced water was formation water. In addition, increasing water-cuts and declining oil production rates during the period of the test indicates that continued production from Tindalo would be uneconomic and the decision has therefore been taken by the Joint Venture to abandon the well. The abandonment program will shortly be underway and will be completed in January 2011.

Whilst abandonment activities on Tindalo are underway, Nido, along with its Joint Venture partners will decide whether to demobilise the production equipment and hardware from SC 54A, or to retain the equipment for further work within the permit.

Yours sincerely



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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%

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