



14<sup>th</sup> May 2010

Australian Securities Exchange 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:**

Mark Fenton  
Managing Director  
Phone: +61 8 9388 6711

### Capital Structure

Shares	514.209 m
Unlisted Options	2.500 m
<b>Total:</b>	<b>516.709 m</b>

Convertible Notes	70.073 m
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### 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 under development;
- 1<sup>st</sup> Oil expected May 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 30.1% 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 1X1 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.

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Nido Petroleum Limited (ASX: NDO), as Operator of Service Contract 54A (SC 54A), is pleased to provide a status update on development work at Tindalo which is on schedule to deliver first oil in May 2010.

The following operational highlights have been achieved since the last update:

- The jack-up rig 'Aquamarine Driller' has completed Tindalo-1 tie-back operations and riser installation;
- The FSO arrived onsite and in-field station keeping trials have been successfully concluded including the use of a linked telemetry system installed on the rig; and
- Production processing equipment is loaded and assembled on the rig.

The forward work program to be completed prior to the production testing of Tindalo-1 is as follows:

- The crude oil transfer hose will be connected to both the rig and the FSO, linking the crude production, delivery and storage systems;
- Final installation, hook up and pre-commissioning testing of the production equipment on board the rig will be concluded; and
- The Tindalo-1 well will be completed and made ready for production.

Nido will provide further updates on the progress of the project upon the achievement of major milestones, with the next milestone expected to be when oil is first brought to surface.

Yours sincerely



**Joanne Williams**  
Deputy Managing Director

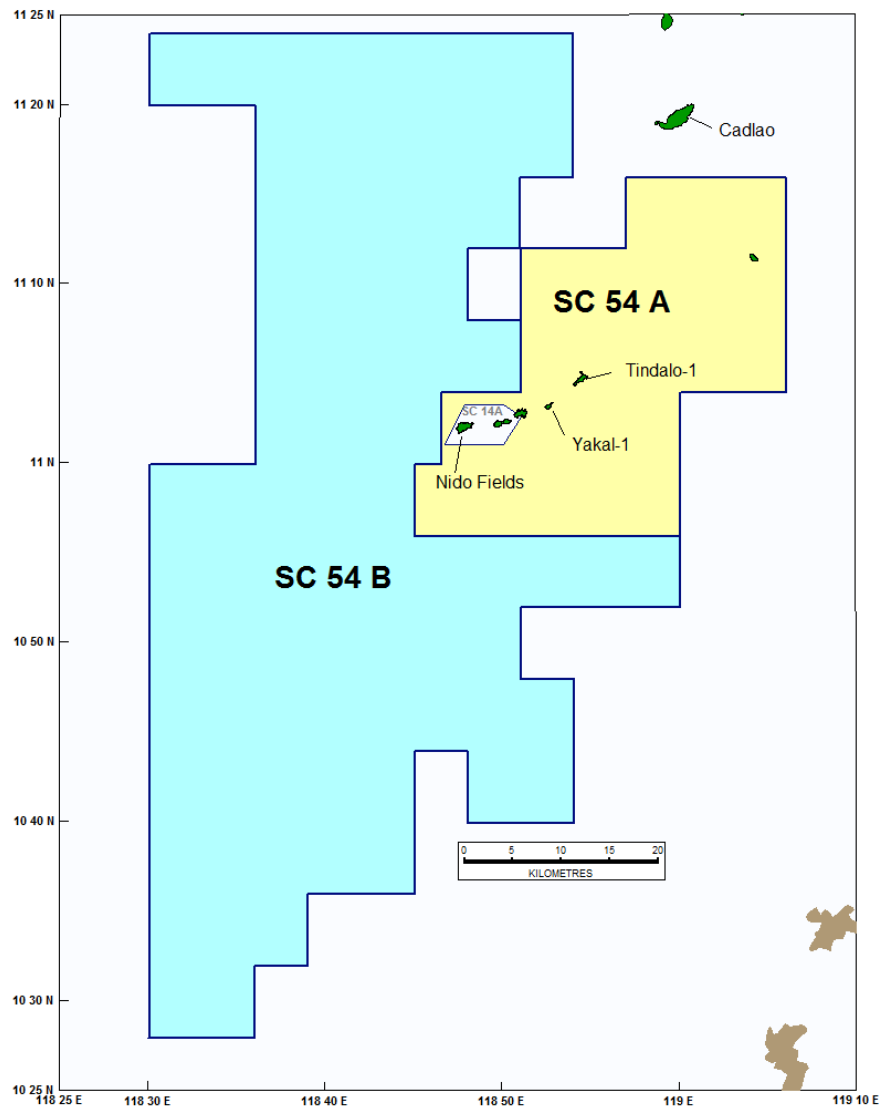
**For more information please contact:**

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

**SC 54A Location Map**



## **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 PNOC; and DOE approval.*