

19 August 2010

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

Tindalo Operations Update

Nido Petroleum Limited (Nido), as Operator of Service Contract 54A (SC 54A), is pleased to provide a status update on Extended Well Testing (EWT) activities at Tindalo.

Well testing is continuing at the field location and the following can be confirmed since the previous update on 9 August 2010:

- Some 177,276 barrels of oil (@60 deg F) are now in the storage tanks of the FSO giving an average daily net oil production since the last update of approximately 1,535 barrels of oil per day (excluding the downtime for the process system upgrade noted below);
- The Joint Venture's marketing agent, Trafigura Pte Ltd, has confirmed the sale of the first crude oil cargo from Tindalo. Some 200,000 to 230,000 barrels of oil have been sold to a buyer in South Korea, with the lifting expected in the second half of September;
- An advance on the proceeds from 173,655 barrels of crude oil from the first sale was received on 19 August. These barrels will remain stored aboard the FSO until the lifting;
- The SC 54A Joint Venture has approved the Tindalo-1 well intervention and remediation programme, and dependent upon the results of diagnostic logging that will be undertaken after well re-entry will involve one or more of the following options:
 - re-perforation deeper in the oil column;
 - water shutoff via cement squeeze; or
 - sidetrack drilling within the Nido Limestone.
- Nido, as Operator, is currently mobilising the necessary equipment and services to the field location for this work. In field operations are scheduled to commence in the first half of September and, subject to weather, anticipated to take 10-17 days to complete.

Since the last update, a shutdown and production processing system upgrade has been completed resulting in an improvement in the water handling capability of the system. In

addition plans are finalised for the disposal of the produced water currently held in the tanks of the FSO and water disposal is expected to commence in the next week. Work is continuing offshore to optimise production performance whilst meeting the stringent environmental compliance requirements of the Philippines.

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%