

27 September 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 advise that the Tindalo sidetrack programme has been completed and Tindalo-1ST1 is now online. The productivity will be tested over the coming days.

The following can be confirmed since the previous operations update on 21 September:

- the original Tindalo-1 vertical well bore has been plugged back and a sidetrack has been successfully drilled and completed barefoot to a total depth of 1820 metres (measured depth);
- the new sidetrack was drilled to the south-southwest of the original Tindalo-1 well and has intersected approximately 180 metres of reservoir within the top 50 metres of the oil column, giving some 120 metres of near horizontal producing section;
- the production completion, including the downhole electric submersible pump, has been re-installed;
- stimulation of the reservoir using acid is common in this type of carbonate reservoir to enhance productivity and has been completed on the sidetrack using a coil tubing unit. Coiled tubing units allow for precise placement of the acid within the well at low pressures maximising the effectiveness of the treatment; and
- Tindalo-1ST1 is currently flowing oil to surface to clean up the well and determine any further acid stimulation requirements.

Commenting on the activity, Nido's Deputy Managing Director, Ms. Joanne Williams, said, "I am pleased to report that the sidetrack programme has been completed and we are back online. Tindalo-1ST1 will greatly improve access to the oil zone and continued Extended Well Testing over the coming days and weeks should confirm the intermediate and longer term production potential of this new well bore."

Nido will provide a further update on the progress the in-field operations this week once the analysis of the initial flow testing of the sidetrack has been completed.

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%