

14 June 2011

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

Gindara-1 Drilling Update

Nido Petroleum Limited (“Nido”, ASX: NDO), on behalf of the SC 54B Joint Venture, is pleased to provide the following update on the Gindara-1 well.

As of 6.00 am (WST) on 14 June 2011, following completion of the 9 5/8” casing operations, the Gindara-1 well has now been drilled from 3,345 metres MD (3,323 metres TVDss) to 3,384 metres MD (3,362 metres TVDss).

During the drilling of this interval, the top of the primary Nido Limestone reservoir was encountered at a provisional depth of 3,378 metres MD (3,356 metres TVDss). At the time of this report, approximately 6 metres of thin, potentially non-porous limestone interbedded with shale and interpreted to represent the top of the Nido Limestone had been penetrated before pulling out of hole to replace the Logging Whilst Drilling (LWD) tools.

During the drilling of the interbedded limestone and shale section marking the top of the Nido Limestone, mud-log gas shows (C1 to C5) were recorded in thin limestone beds. However, due to the limited penetration of the Nido Formation so far, the non-porous nature of the thin limestone layers encountered and the LWD logging tool being inoperable, the significance of these initial findings require evaluation through further drilling of the Nido Formation reservoir section, evaluation by the LWD and potentially a more comprehensive electric logging suite.

Following replacement of the LWD and possible bit-change operation, the forward program is to continue drilling the Nido Limestone from the current depth of 3,384 metres MD (3,362 metres TVDss) to the planned Total Depth of 3,650 metres MD (3,628 metres TVDss), an interval of approximately 266 metres. On reaching Total Depth, the SC 54B Joint Venture will decide on the scope of the formation evaluation program required to conclusively evaluate the Nido Limestone interval.

Jon Pattillo, Nido’s Head of Exploration commented, “We appear to have just drilled the very top of the Nido Limestone before deciding to trip out to replace the LWD. We expected, based on surrounding well results, that the uppermost part of the Nido Limestone could be potentially non-porous reservoir. The fact that we have observed mud-log gas shows (C1 to C5) in the thin limestone beds means we need to complete the drilling of the Nido Limestone section to understand the significance of these preliminary findings. We look forward to recommencing drilling operations in the next 24 hours with further drilling results from the well expected in the following days.”

The next weekly update to the market will be on 16 June 2011.

Yours sincerely,



Jocot de Dios
Chief Executive Officer

SC 54B Working Interests

Company	Working Interest
Shell Philippines Exploration B.V. (Shell)	45%
Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - Operator	33%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	22%

SC 54B Location Map and Gindara Prospect

