

17 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, wishes to provide the following update on the Gindara-1 well.

Since the last update, the Gindara-1 well has been drilled from 3,530 metres MD (3,508 metres TVDss) to the revised Total Depth (TD) of 3,660 metres MD (3,638 metres TVDss) in the primary Nido Limestone reservoir section. Current operations are pulling out of the hole to run wire-line logs.

Whilst drilling the Nido Limestone at 3,560 metres MD (3,538 metres TVDss) the well intersected the predicted good quality reservoir section in the Nido Limestone which extended down to the revised TD of the well at 3,660 metres MD (3,638 metres TVDss).

Although indications are that the good quality limestone reservoir section is water bearing, it has not been possible to definitively determine if the fluids in the reservoir are hydrocarbons or water due to the combination of a potential deep invasion of the reservoir by the drilling mud and technical problems with the Logging Whilst Drilling (LWD) logging equipment. Therefore, a comprehensive wire-line logging program is being run to confirm the fluid type within the good quality Nido Limestone reservoir section.

Jon Pattillo, Nido's Head of Exploration commented, "We have encountered the high quality limestone reservoir section that was predicted pre-drill. Although indications are that the good quality limestone reservoir is water bearing, it is possible that the drilling fluid has invaded the limestone reservoir due to its good porosity. We have not been able to definitively determine if this is the case due to technical problems with the LWD logging tool and so we are running a comprehensive logging program to confirm the fluid type within the reservoir. This program will take a few days to complete and Nido will provide a further update on the results when they become available."

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) - <i>Operator</i>	33%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	22%

SC 54B Location Map and Gindara Prospect

