

20 May 2011

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

Spud Day at Gindara-1 in SC 54B

Nido Petroleum Limited ("Nido", ASX: NDO) is pleased to announce that the 'Atwood Falcon' deepwater semi-submersible drilling rig spudded the Gindara-1 exploration well at 00:45 hrs on 20 May 2011.

The Atwood Falcon rig arrived over the Gindara-1 location at approximately 02:00 hrs on 18 May 2011. Following the setting of the primary and secondary anchors, the 36 inch hole opener was picked up and the well spudded. The 36" hole will be drilled to approximately 396 meters Measured Depth (MD) equivalent to 374 meters Total Vertical Depth below sea-level (TVDss).

The Gindara-1 well will be drilled to a total depth of 3,672 meters MD (3,650 meters TVDss). The top of the primary Nido limestone reservoir objective is prognosed at 3,422 meters MD (3,400 meters TVDss) and the top of the secondary Coron Clastic reservoir at 2,872 meters MD (2,850 meters TVDss). The well is expected to reach the primary objective Nido limestone reservoir in approximately 16 days from spud.

Jon Pattillo, Head of Exploration, said: "Mobilisation of the Atwood Falcon rig from Labuan to the Gindara-1 well location went very smoothly. With the rig anchors successfully set and the well now spudded, the SC 54B Joint Venture is looking forward to drilling to the reservoir objectives in a safe and efficient manner. For Nido, the Gindara-1 well marks an important milestone for the company as it represents the first well in our planned five well NW Palawan drilling program".

Updates on the progress of the Gindara-1 well will be issued on a weekly basis, the next release to the market being Thursday, 26 May 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

