



16 May 2011

ASX Limited
Company Announcements Office
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Spud day imminent for Gindara-1 in SC54B

Please refer to the attached ASX release of Nido Petroleum Limited, the SC54B Operator, for further details.

For further information please contact:

Mark Fenton
Managing Director
Phone: +61 8 9388 6711

Capital Structure

Shares	1,187,522 m
Listed Options	305,192 m
Unlisted Options	.500 m
Total:	1,493,214 m

Board of Directors

Paul Fry	Non-Executive Chairman
Mark Fenton	Managing Director
Duncan Maclean	Non-Executive Director

Assets

Philippines:

- SC 54B - KIK: 22%

Current Status:

- Gindara prospect to be drilled from May 2011.

- SC 54A - KIK: 30.1%

Current Status:

- Post-Tindalo permit review

Kairiki Energy Limited

Suite 3, Churchill Court
331 – 335 Hay Street
SUBIACO WA 6008
AUSTRALIA

Phone: +61 8 9388 6711
Fax: +61 8 9388 6744
Website: www.kairikienergy.com
ABN: 34 002 527 906



Corporate Profile

Kairiki Energy is an Australian Based junior international oil and gas exploration and production company focussed on the Philippines. Kairiki holds a 30.1% interest in Service Contract 54A and a 22% interest in Service Contract 54B.

SC 54B measures 3184 km² and contains the Gindara prospect which has a mean unrisks oil in place volume estimated by the Operator of 634 million barrels. The Gindara prospect is a very large simple four-way closure at the Top Nido Limestone reservoir objective with an areal extent of 28 km², a vertical closure of over 300m and is well located to receive hydrocarbon charge from the Palawan Trough. Drilling of the Gindara prospect is planned to commence in May 2011 using the Atwood Falcon semi-submersible rig.

SC 54A measures 862 km² and contains the Tindalo, Yakal, Nido 1X1 and Signal Head oil discoveries as well as a substantial portfolio of similar low-risk reefal prospects. Following disappointing results in the Tindalo development, the SC 54A JV is reviewing the shallow water development strategy for the area with the view to commercialising the remaining portfolio as soon as possible.

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ABN 65 086 630 373

Australian Securities Exchange Limited
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HIGHLIGHTS

- Deepwater Rig 'Atwood Falcon' mobilized and due to anchor at Gindara-1 in SC 54B on or about 18 May 2011.
- Gindara-1 spud expected on 21 May 2011.

Nido Petroleum Philippines Pty Ltd (wholly owned subsidiary of Nido Petroleum Limited; ASX: NDO), on behalf of the SC 54B Joint Venture, is pleased to announce that the 'Atwood Falcon' deepwater semi-submersible drilling rig was mobilized from Labuan, Malaysia at 01:00 hours on 14 May 2011 and is due to arrive at the Gindara-1 location in the Philippines on or about 18 May 2011.

Following the setting of anchors and completion of pre-drill activities, the well is anticipated to spud on 21 May 2011. The well will be drilled to a total vertical depth subsea (TVDSS) of 3,650 meters with the primary Nido Limestone reservoir target prognosed at approximately 3,400 meters TVDSS.

Jon Pattillo, Head of Exploration, said: "Nido is pleased to announce that drilling of the Gindara-1 prospect is due to commence shortly as planned. Gindara-1 is the first well to be drilled in the block by the SC 54B Joint Venture and is also the first in Nido's planned five well program. We look forward to getting the drilling underway."

The 'Atwood Falcon' rig will drill the Gindara-1 prospect (refer to Location Map) under a Rig Assignment Agreement between Sarawak Shell Berhad/Sabah Shell Petroleum Co Ltd and Nido Petroleum Philippines Pty Ltd, who is operating the well on behalf of the SC 54B Joint Venture.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jocot de Dios'.

Jocot de Dios
Chief Executive Officer

SC 54B Working Interests

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

SC 54B Location Map: Gindara Prospect

