

13 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 following update on the Tindalo-1 well intervention and remediation programme.

Tindalo-1 has been re-entered and the completion removed. The original programme next called for retrieval of the downhole perforation equipment to allow access to the wellbore for diagnostic logging which was proving to be a time-consuming exercise. Since the logging was a non-critical element of the remediation programme, the potential information gain was closely weighed against the cost to continue leading to a decision to cancel the logging program and proceed directly with the sidetracking the well.

The sidetrack programme has now commenced following the successful cementing of the existing wellbore and will effectively provide a new well drainage location in the crestal part of the field. Details of the forward program are summarised below: “

- Drilling of Tindalo-1ST1 will commence today;
- Tindalo-1ST1 will be drilled at a high angle to vertical and will intersect approximately 150m of reservoir section within the top 50m oil column;
- Once drilled, Tindalo-1ST1 will be completed barefoot with pre-drilled, slotted liner;
- The sidetrack activities are expected to be completed by the second half of September, following which the Extended Well Test will continue; and
- The offtake window for the first cargo has been planned to coincide with well activities and is scheduled for 16-18 September, subject to weather.

Nido's Deputy Managing Director, Ms Joanne Williams, said “The operational risk, cost and schedule impact of undertaking this sidetrack program has been greatly reduced by having the jack up rig ‘Aquamarine Driller’ on site and with access to the well. This flexibility was a critical risk management strategy employed during concept selection and final design of the Tindalo development.”

Nido will provide a further update on the progress the in-field operations once the well remediation work has been completed and the Extended Well Test has recommenced.

Yours sincerely



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Deputy Managing Director

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SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - <i>Operator</i>	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%