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### Tindalo Development Update

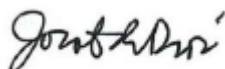
Nido Petroleum Limited (ASX: NDO) is pleased to advise another significant milestone for the Tindalo development has been reached, after concluding an Extended Well Test Agreement (EWT) with the Philippine Department of Energy (DOE) on behalf of the SC 54A Joint Venture.

Under the agreement, during the EWT period, the Joint Venture may retain one hundred percent (100%) gross crude proceeds whilst recovering all operating expenses (including development costs) incurred in connection with the EWT. The EWT is for a maximum of 100 days of actual crude flow/production time or one million barrels of crude production, whichever occurs first.

In relation to the Farmout Agreement with Trafigura Ventures III B.V. (Trafigura), Nido is pleased to advise that the final legal due diligence has now been completed and the US\$ 7.6 million cash payment received. With the completion of these conditions, Nido is now awaiting final approval from the DOE.

“With the execution of the EWT by the DOE and the receipt of the cash payment for the Trafigura farmout, the Tindalo development project maintains its momentum toward project execution and first oil” said Deputy Managing Director Joanne Williams today.

Yours sincerely



**Jocot de Dios**  
President and Chief Executive Officer

**For more information please contact:**

Mr. Jocot de Dios

President and Chief Executive Officer

Ph: +61 8 9474 0000

F: +61 8 9474 0099

[www.nido.com.au](http://www.nido.com.au)

**WORKING INTERESTS TABLE**

**Service Contract 54A**

<b>Participant</b>	<b>Participating Interests (%)</b>
<b>Nido Petroleum Philippines Pty Ltd</b>	<b>50.0%*</b>
Kairiki Energy Ltd (ASX: KIK)	35.0%*
Trafigura Ventures III B.V.	15%*

*\* Subject to DOE approval*

**About Nido Petroleum Limited**

Nido Petroleum Limited is an oil and gas exploration and production company with over 2,945,000 hectares (29,450 sq km) of contiguous exploration and development assets in the North West Palawan Basin in the Philippines. Nido is a leading explorer in the North West Palawan basin and the company's exploration portfolio extends across balance of both shallow (<100m) and deepwater (>1,200m) sectors of the North West Palawan continental margin which provides it with a diverse range of potential exploration and development projects in the Philippines premier producing basin. Nido operates SC 54A (\*50% interest), SC 54B (60% interest) and SC 58 (\*\*50% interest). Nido has a 50% non-operated interest in SC 63.

Nido's core producing asset is the Galoc oil field of which Nido has a 22.879% non-operated interest. Galoc lies within SC 14 in 300 metres of water, some 60 km offshore Palawan Island. First production commenced 9 October 2008 through a simple two-well sub-sea development concept tied back to a moored FPSO.

In 2008, Nido completed a successful two well exploration program in SC 54A which resulted a 100% strike rate yielding the Yakal-1 and Tindalo-1 oil discoveries. Nido is planning to augment Galoc production by fast-tracking the development of the Tindalo field with first production planned for early 2010.

*\*Subject to DOE approval of Nido's farm-out of 10% interest to Trafigura*

*\*\*Subject to: completion of the obligations under the Farmout Agreement with PNOOC; and DOE approval*