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

Tindalo Operations Update

Nido Petroleum Ltd (Nido) provides this update on the Extended Well Testing at Tindalo.

A series of tests have been completed to further assess the productivity of the well and the source of the produced water. The following can be confirmed:

- Well productivity exceeded expectations with high rate testing confirming well productivity in excess of 18,500 barrels per day;
- Some 56,708 barrels of oil along with approximately 5,384 barrels of water have been produced from the well;
- The water processing equipment is not available for use due to an equipment fault and the field is being produced at a restricted rate of approximately 6,000 bbls/day for operational purposes. This equipment is scheduled to be replaced in the coming days thereby allowing production rates to be optimised; and
- The water that has been produced to date may be either fluid introduced to the reservoir during the drilling and/or completion of the well or alternatively it may be formation water. Produced water samples are being analysed in Singapore to confirm the water source.

Nido advises that it will provide a further update to the market once the reservoir management plan has been finalised including the optimised rate for the EWT.

Yours sincerely



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SC 54A Working Interests

| Company | Working Interest |
|---|-------------------------|
| Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - Operator | 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% |

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 both of the 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 (42.4% interest), SC 54B (60% interest) and SC 58 (*50% interest). Nido also 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 currently working to augment Galoc production by fast-tracking the development of the Tindalo field with first production planned for 2Q 2010.

* Subject to: completion of the obligations under the Farm-out Agreement with PNOC; and DOE approval.