

23 December 2009

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

## Drilling Rig Contracted for Tindalo Development

Nido Petroleum Limited (Nido) is pleased to advise that a contract has been awarded to Vantage Drilling for the jack-up drilling rig 'Aquamarine Driller' on behalf of the Service Contract 54 Block A (SC 54A) Joint Venture partners. In addition Letters of Intent have been issued to the preferred contractors for the provision of the Floating Storage and Offloading (FSO) vessel and for the production equipment to be used for processing the oil at Tindalo.

Nido's Deputy Managing Director, Ms. Joanne Williams, said, "We have now secured the major component of the development hardware - the jack-up rig that will complete and produce Tindalo-1. Having selected our other major contractors via LOIs, in the coming weeks we expect to finalise the contracting for the remainder of the key equipment for the project, including the FSO."

### Drilling Rig 'Aquamarine Driller'

The 'Aquamarine Driller' is a newly built jack-up rig which was delivered by the Keppel shipyard in September 2009. It is ideally suited for the well completion and production operations. The rig is less than a year old, has a large deck area and, with the production equipment installed, will have a production capacity of up to 20,000 barrels of oil per day. The rig is also suitable for other drilling or well operations in SC 54A.



*Courtesy of Vantage Drilling*

The 'Aquamarine' will be contracted for a period of two months from the start of April 2009. This may be extended at Nido's option for a period of up to two years.

Nido will provide further updates on the progress of the project upon the achievement of major milestones towards first oil.

Yours sincerely

**Joanne Williams**  
Deputy Managing Director

**For more information please contact:**

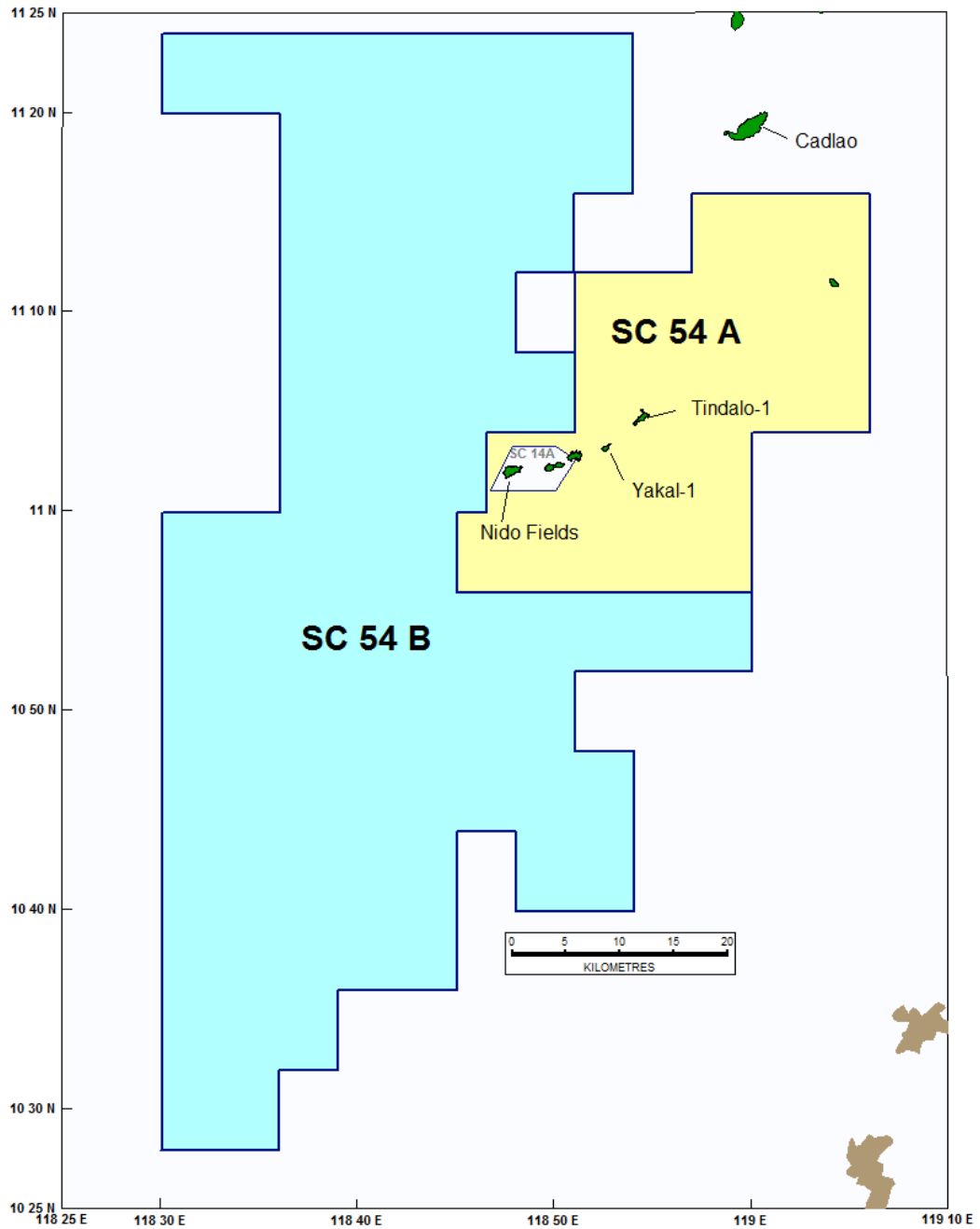
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### SC 54A Working Interests

Company	Working Interest
Nido Petroleum Philippines Pty Ltd (Nido) - <i>Operator</i>	50%
Yilgarn Petroleum Philippines Pty Ltd, a wholly owned subsidiary of Kairiki Energy Limited (ASX: KIK)	35%
Trafigura Ventures III BV (Trafigura)	15%

### SC 54A Location Map



## **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 2Q 2010.

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