



6<sup>th</sup> September 2010

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

## SC 54A Tindalo Operations Update

Please refer to the attached ASX release of Nido Petroleum Limited, SC 54A Operator, for further details.

**For further information please contact:**

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Managing Director  
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### Capital Structure

Shares	560.909 m
Unlisted Options	2.500 m
Total:	<b>563.409 m</b>

Convertible Notes	70.073 m
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### Board of Directors

Paul Fry	Non-Executive Chairman
Mark Fenton	Managing Director
John Morton	Non-Executive Director

### Assets

Philippines:

- SC 54A - KIK: 30.1%

*Current Status:*

- Tindalo oilfield currently producing under EWT

- SC 54B - KIK: 40%

*Current Status:*

- Gindara prospect drill ready;
- Seeking farminee.

### Kairiki Energy Limited

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## 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 40% interest in Service Contract 54B.

SC 54A measures 862 km<sup>2</sup> and contains the Tindalo, Yakal, Nido 1X1 and Signal Head oil discoveries as well as a substantial portfolio of similar low-risk reefal prospects. In December 2009, Kairiki announced that the SC 54A Joint Venture had approved the development of the Tindalo field. The Tindalo development utilises a jack-up rig and a dynamically positioned storage vessel. Following a short project execution period, the Tindalo development tested oil at 18,689 bbls/d at the end of May 2010. Since that time, unexpected early water ingress to the well has resulted in the SC 54A Joint Venture preparing for a well re-entry and remediation programme to reduce or eliminate the water production. Based on a successful development at Tindalo a number of follow-up developments may be considered in SC 54A.

SC 54B measures 3184 km<sup>2</sup> and contains the Gindara prospect which has a mean unrisked 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 km<sup>2</sup>, a vertical closure of over 300m and is well located to receive hydrocarbon charge from the Palawan Trough. Kairiki is seeking to farm down its interest in SC 54B to accelerate drilling of the Gindara prospect.

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Australian Securities Exchange Limited  
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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 that the Tindalo-1 well intervention and remediation programme has commenced.

Since the previous update on 30 August 2010:

- The support vessel M/V Pacific Ariki arrived at the Tindalo location on 5 September with the items necessary for the well intervention and equipment and materials are being transferred from the support vessel to the rig;
- The Tindalo-1 well has now been shut-in and re-entry operations have commenced;
- Diagnostic logging will be undertaken early in the programme to determine the selection of the most appropriate option to remedy the water influx into the well; and
- The well intervention and remediation programme is scheduled to take 10-17 days to complete.

Other operational highlights include:

- Some 196,000 barrels of oil (@60°F) are now in the storage tanks of the FSO; and
- The offtake of the first cargo is currently scheduled for 16-18 September, subject to weather.

Nido will provide a further update on the progress the in-field operations once the results of the diagnostic logging have been analysed.

Yours sincerely



**Joanne Williams**  
Deputy Managing Director

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**SC 54A Working Interests**

Company	Working Interest
<b>Nido Petroleum Philippines Pty Ltd (Nido, ASX: NDO) - <i>Operator</i></b>	42.4%
<b>Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)</b>	30.1%
<b>Trafigura Ventures III BV (Trafigura)</b>	15.0%
<b>TG World (BVI) Corporation (TG World)</b>	12.5%