

7 July 2014

ASX ANNOUNCEMENT

BARAGATAN-1A UPDATE

Nido Petroleum Limited (ASX: NDO) (“Nido” or the “Company”) on behalf of SC 63 Joint Venture partners PNOEC-EC and Dragon Oil (Philippines SC 63) Limited wishes to advise that the Baragatan-1A well on the 6 July 2014 had reached a depth of 2,681 meters Measured Depth (2,328 meters TVD sub-sea) having drilled through the primary Pagasa Formation reservoir objective.

The primary Pagasa Formation reservoir objective was encountered between 2,534 – 2,654 meters Measured Depth (2,209 – 2,305 meters TVD sub-sea) comprising primarily of limestones of poor to good reservoir quality with minor sandstones and siltstones. Preliminary Logging Whilst Drilling (LWD) log data recorded through this interval indicates the reservoir units to contain low gas saturations (C1 to C5) which did not warrant further evaluation or testing.

With respect to the two zones of potential interest encountered in the shallower Pagasa Formation (as advised in the Company’s ASX release of the 23 June 2014), preliminary evaluation of available LWD data indicates the thin sandstones encountered within the gross interval 1,977 - 2,004 meters Measured Depth (1,785 - 1,805 meters TVD sub-sea) are potentially gas-bearing and the limestone encountered over the gross interval 2,207 – 2,236 meters Measured Depth (1,960 – 1,982 meters TVD sub-sea) contains low gas saturations. Both these intervals did not warrant further evaluation or testing.

The forward operation is to Plug and Abandon the Baragatan-1A well.

Nido’s Managing Director, Mr Phil Byrne, commented, *“Naturally I am disappointed to have to report to shareholders that the Baragatan-1A well has not discovered commercial hydrocarbons. The well has, however, provided the SC 63 Joint Venture with valuable new technical information which now requires integration into current subsurface models from which the forward exploration strategy for the block will be determined. The company’s successful strategy of farming out equity in wildcat exploration wells has preserved cash flow for further exploration activity in the south east Asian region going forward”*

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