

25 January 2017

ASX ANNOUNCEMENT

NIDO SIGNS RIG CONTRACT FOR GALOC-7/7ST

Nido Petroleum Limited (ASX: NDO) (“Nido” or the “Company”) is pleased to advise that its wholly owned subsidiary Galoc Production Company W.L.L., has signed a binding rig contract with Golden Close Maritime Corp. Ltd, for the drillship “Deepsea Metro I” to drill the Galoc-7/7ST appraisal well on behalf of the Block C1 SC 14 Joint Venture (“Galoc JV”).

The Deepsea Metro I is a cutting edge 6th generation drillship with dual derricks. The rig has a main and an auxiliary work centre to facilitate simultaneous operations and active heave compensating drawworks for safe and efficient operations. The Deepsea Metro I is capable of operating in water depths of up to 10,000 feet (approximately 3,000 metres) and to drill to a total depth of 40,000 feet (approximately 12,200 metres) sub-sea. The water depth at the Galoc-7/7ST location is approximately 540 m MSL and the well has a planned total depth of approximately 2660 m MD BRT.



Figure 1: Photo of Deepsea Metro I

Golden Close Maritime Corp. Ltd is a wholly owned subsidiary of Deepsea Metro Ltd, which is 40% owned by the Odfjell Drilling group (“Odfjell Drilling”). Odfjell Drilling is the manager of Deepsea Metro I and has an excellent health and safety record and has been an important player in the upstream oil and gas industry since the 1970’s.

The Deepsea Metro I will be contracted by the Galoc JV for a period of approximately 4-5 weeks with a contract commencement window of 1–31 March 2017. The contract period consists of a firm well and an optional side track.

Commenting on the execution of the binding rig contract with Golden Close Maritime Corp. Ltd, Dr. Fischer stated:

“We are pleased to announce the execution of a binding rig contract with Golden Close Maritime Corp. Ltd to secure the Deepsea Metro I for the Galoc-7/7ST appraisal well and we look forward to drilling operations commencing in the Philippines as we seek to unlock the potential for extending the field life of our cornerstone asset.”

Nido will provide further updates on progress towards the drilling of the Galoc-7/7ST appraisal well on behalf of the Galoc JV upon the achievement of major milestones.

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