

# Q1

2017 Activities Report



## Quarterly Report

For the period ending 31 March 2017

### HIGHLIGHTS

- ◆ **Total production from the Galoc oil field during the fourth quarter was 394,605 bbls and 220,504 bbls on a net to Nido basis**
- ◆ **Production uptime for the Galoc oil field was 99.9% during the quarter and average gross daily production was 4,385 bopd (2,450 bopd net to Nido)**
- ◆ **Cargo 55 was lifted on 27 January 2017 with the total lifted volume of 350,056 bbls (195,610 bbls net to Nido)**
- ◆ **Cyclical production continued from the Nido and Matinloc oil fields with total field production of 30,764 bbls (8,006 bbls net to Nido)**
- ◆ **Nido 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**
- ◆ **Deepsea Metro I commenced drilling operations at the Galoc-7 appraisal well location in Block C1 of Service Contract 14, offshore The Philippines**

I am pleased to provide to you the following summary of the Company's activities for Q1 2017.

Galoc up-time was 99.9% for the quarter with gross average daily oil production of 4,385 bbls (2,450 bopd on a net to Nido basis) with total production of 394,605 bbls (220,504 bbls net to Nido).

Cargo 55 was lifted on 27 January 2017 with the total lifted volume of 350,056 bbls (195,610 bbls net to Nido). Cargo 55 was sold to Thai Oil Public Co. Ltd. in Thailand.

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 30,764 bbls (8,006 bbls net to Nido).

A total of 20,211 bbls were lifted and sold from the Nido and Matinloc oil fields during the quarter (5,020 net to Nido).

During the quarter, Nido 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.

Deepsea Metro I commenced drilling operations at the Galoc-7 appraisal well location in Block C1 of Service Contract 14, offshore The Philippines.

The Company also continued to evaluate exploration, development and production assets in the region and is considering a number of assets in this context.

Nido's parent company, The Bangchak Petroleum Public Company Limited recently changed its name to The Bangchak Corporation Public Company Limited.

A handwritten signature in black ink, appearing to read "M Fischer", is positioned above the name of the Managing Director.

**DR MIKE FISCHER**  
**MANAGING DIRECTOR**

FINANCIAL AND CORPORATE

<b>LIFTING SUMMARY</b>	<b>Qtr 1 2017</b>	<b>Year-to-date 2017</b>	<b>Previous Qtr Q4 2016</b>
<b>Volumes - Lifted &amp; Sold (stb)</b>			
<b>Service Contract 14:</b>			
Galoc oil field (net to Nido)	195,610	195,610	194,448
Nido & Matinloc oil fields (net to Nido)*	5,020	5,020	9,455
<b>TOTAL VOLUMES LIFTED &amp; SOLD</b>	<b>200,630</b>	<b>200,630</b>	<b>203,903</b>
<b>FINANCIAL SUMMARY</b>			
<b>Cash Inflows—US\$ '000</b>			
Receipts from sale of crude oil	11,437	11,437	9,070
Interest & other	1	1	212
Proceeds from equity issue - pro-rata renounceable entitlements	-	-	19,778
<b>TOTAL CASH INFLOWS</b>	<b>11,438</b>	<b>11,438</b>	<b>29,060</b>
<b>Cash Outflows—US\$ '000</b>			
Exploration expenditure	(7,478)	(7,478)	(1,273)
Development expenditure	-	-	-
Production OPEX	(9,216)	(9,216)	(7,510)
Income taxes	-	-	(532)
Repayment of borrowings & financing costs	-	-	(13)
Administration & other expenses	(906)	(906)	(2,225)
Foreign exchange movement & other	(35)	(35)	321
<b>TOTAL CASH OUTFLOWS</b>	<b>(17,635)</b>	<b>(17,635)</b>	<b>(11,232)</b>
<b>Cash Position – US\$ '000</b>			
Cash on Hand	25,777	25,777	31,974
Debt – Secured Debt Facility	(78,200)	(78,200)	(78,200)

\* Nido and Matinloc figures are subject to change based on the latest lifting/production volume adjustment from the Operator

Nido ended the quarter with cash on hand of US\$25.8 million and debt outstanding of US\$78.2 million.

**INFLOWS**

Cash inflows from crude oil sales totalled US\$11.4 million with receipts from 1 cargo received in the reporting period. Cargo proceeds were higher than the previous quarter due to a slight improvement in the Dubai oil price benchmark during the month of lifting.

Quarterly interest & other inflow movements were minimal.

**OUTFLOWS**

Cash outflows from production operations at the Galoc oil field and the Nido/Matinloc oil fields amounted to US\$9.2 million. A crude oil hedge swap executed during the quarter against the January 2017 average Dubai oil price resulted in a cash outflow of US\$0.3 million on settlement in February 2017.

Cash outflows for exploration activities of US\$7.5 million relate mainly to planning and drilling costs associated with the Galoc-7/7ST appraisal well (spudded on 31 March 2017). There was also some limited new venture activity.

Principal repayments and interest payments were deferred until 15 March 2018 as a result of the renegotiation of the Facility Agreement with the Bangchak Corporation Public Company Limited ('BCP') in March 2016. There were no financing-related outflows during the quarter.

There were no income tax expense payments during the quarter. General administration expenditure, costs associated with the share equity issue, and staff costs (net of overhead recovery) totalled US\$0.9 million for the quarter.

**FINANCIAL AND CORPORATE**

**PRELIMINARY (UNAUDITED) Q1 FINANCIAL INFORMATION**

Nido has provided preliminary Q1 financial information to BCP Energy International Pte Ltd ('BCPE') for their quarterly reporting process. The preliminary financial information is unaudited and subject to change and is set out in the following table:

<b><i>Statement of Comprehensive Income for the year ending 31 March 2017 (US\$ '000)</i></b>	<b>31 March 2017</b>
Revenue from sale of crude oil	11,371
EBIT	(3,893)
Net (loss) for the three months ended 31 March 2017	(5,714)
<b><i>Balance Sheet as at 31 March 2017 (US\$ '000)</i></b>	
Current Assets	56,045
Non-current Assets	122,205
Current Liabilities	43,418
Non-current Liabilities	96,498
Net Assets	38,334
<b><i>Statement of Cash Flows for the three months ended 31 March 2017 (US\$ '000) (*)</i></b>	
Net cash (used in) operating activities	(6,137)
Net cash from investing activities	-
Net cash (used in) financing activities	(25)
(*) Cash flow classifications consistent with ASX Appendix 5B requirements.	

**PRODUCTION AND DEVELOPMENT—Philippines**

**SERVICE CONTRACT 14C1 - GALOC OIL FIELD**

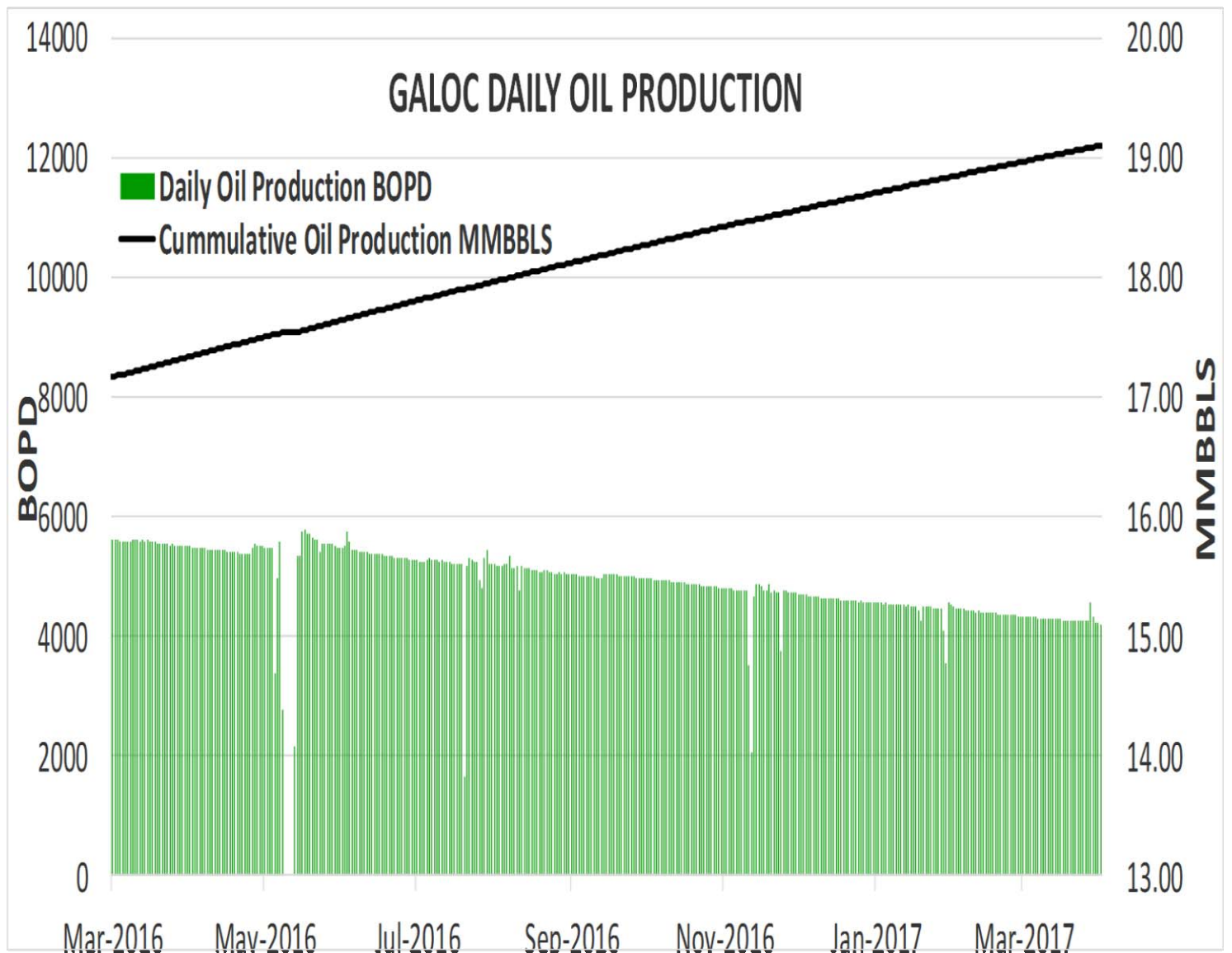
<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	16,000 hectares	<b>Operator:</b>	Galoc Production Company W.L.L.
<b>Nido's Interest:</b>	55.88%	<b>Activity:</b>	Galoc Production

Gross production from the Galoc oil field during the quarter was 394,605 bbls (220,504 bbls net to Nido) with a gross average production rate of 4,385 bopd (2,450 bopd net to Nido). Uptime for the quarter was 99.9%.

Cargo 55 was lifted on 27 January 2017 with a total lifted volume of 350,056 bbls (195,610 bbls net to Nido) with a realised equivalent FOB price of US\$55.12 per bbl. Cargo 55 was sold to Thai Oil Public Co. Ltd. in Thailand.

During the quarter, Nido 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. The Deepsea Metro I commenced drilling operations at the Galoc-7 appraisal well location in Block C1 of Service Contract 14, offshore The Philippines on 31 March 2017.

Subsequent to quarter end, the Company released the results of the Galoc- 7 well on 18 April 2017.



**PRODUCTION AND DEVELOPMENT—Philippines**

**SERVICE CONTRACT 14C2 - WEST LINAPACAN A**

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	18,000 hectares	<b>Operator:</b>	Philodrill Corporation
<b>Nido's Interest:</b>	22.28%	<b>Activity:</b>	Re-development of the West Linapacan 'A' field

The work program for 2017 includes the reprocessing of approximately 480 sq km of full fold seismic data. It is anticipated that this exercise will assist in better modelling of the West Linapacan structure. It may also serve as a basis to update well design and drilling/development plans.

**SERVICE CONTRACT 14A & 14B - NIDO & MATINLOC OIL FIELDS**

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	68,000 hectares	<b>Operator:</b>	Philodrill Corporation
<b>Nido's Interest:</b>	Block A 22.49% Block B 28.28%	<b>Activity:</b>	Production

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 30,764 bbls (8,006 bbls net to Nido). A total of 20,211 bbls (5,020 bbls net to Nido) was lifted and sold during the quarter.

## EXPLORATION AND APPRAISAL—Philippines

### SERVICE CONTRACT 54A and 54B

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	88,000 hectares	<b>Operator:</b>	Nido
<b>Nido's Interest:</b>	42.4% (Block A) 60% (Block B)	<b>Opportunity:</b>	Multiple small field development opportunities

Service Contract 54 is in a period of moratorium from 5 August 2014 to 5 August 2017. The moratorium provides both the Block A and Block B Joint Ventures sufficient time to study the presently sub-commercial areas and other areas of interest within the Service Contract. The Company continues to consider low cost development opportunities and other alternatives to maximise value from this asset.

### SERVICE CONTRACT 63

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	1,067,000 hectares	<b>Operator:</b>	PNOC-EC
<b>Nido's Interest:</b>	20%	<b>Activity:</b>	Reviewing the remaining prospectivity of the block

During the first quarter of 2016 the DOE granted a three year moratorium and an amendment to the Sub-Phase 3 Work Program. A review of the remaining prospectivity of the block is currently ongoing. Dragon Oil is in the process of withdrawing from this Service Contract and PNOC-EC and Nido have signed an assignment agreement with Dragon Oil. Upon approval by the DOE, PNOC-EC and Nido will each hold a 50% participating interest in the Service Contract.

### SERVICE CONTRACT 58

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	1,349,000 hectares	<b>Operator:</b>	Nido*
<b>Nido's Interest:</b>	50% (Subject to completing farm-in obligation)	<b>Opportunity:</b>	Multiple prospects (exploration)

\* *Technical Operator during Farm-in. Nido interest subject to completion of drilling farm-in commitment well.*

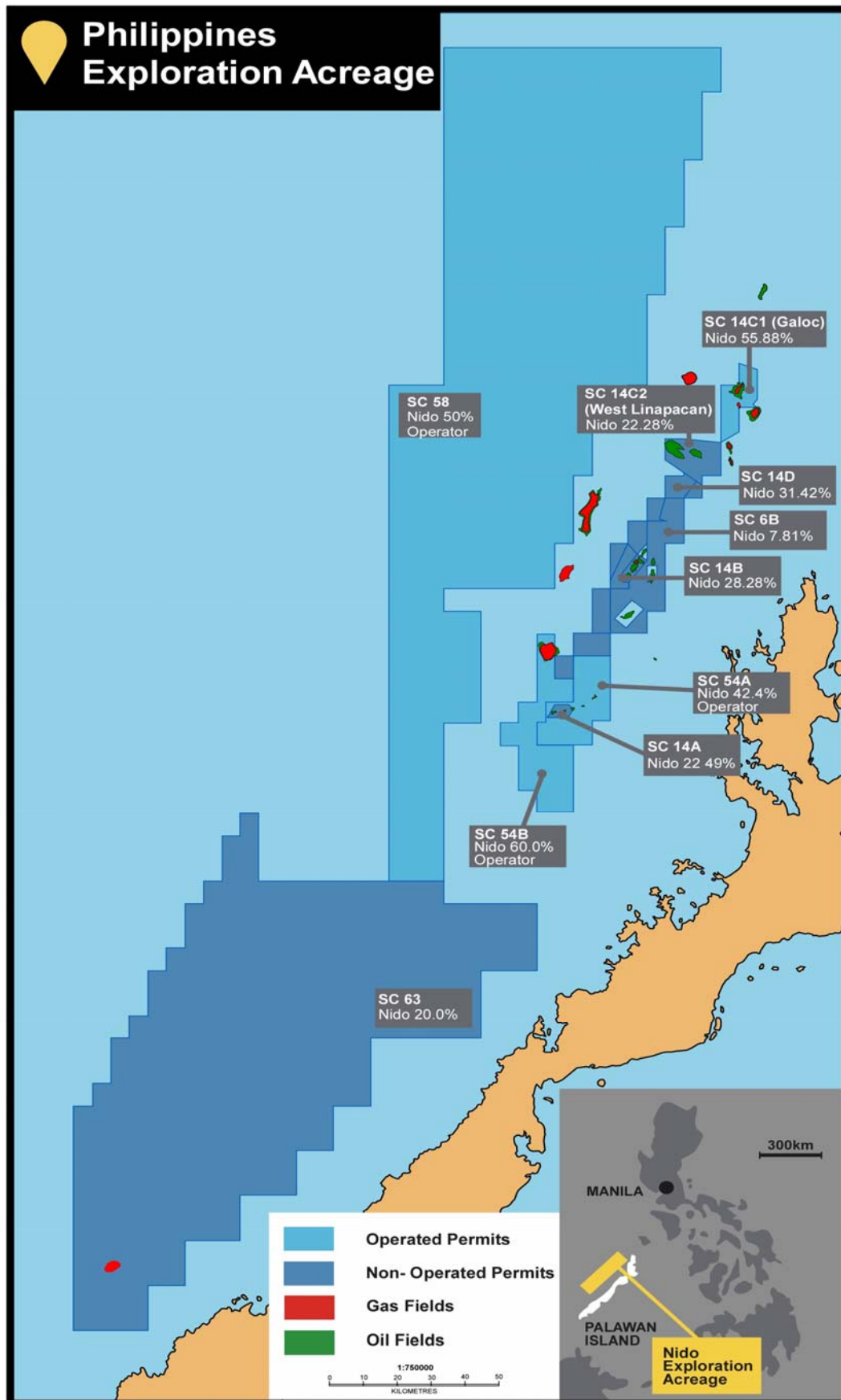
During the third quarter of 2016 the Permanent Court of Arbitration in the Hague ruled in favour of the Philippines in relation to the territorial dispute with the Peoples Republic of China regarding the South China Sea. The Company continues to monitor the situation closely and its potential impact on SC 58 in particular. SC 58 continues to remain in a period of suspension.

### SERVICE CONTRACT 6B - BONITA

<b>Location:</b>	Palawan Basin, Philippines		
<b>Area:</b>	55,000 hectares	<b>Operator:</b>	Philodrill Corporation
<b>Nido's Interest:</b>	7.81%	<b>Opportunity:</b>	Re-evaluation of the prospectivity of the block

The Joint Venture has recently focused on maturing leads in the northern part of the block and the East Cadlao structure located to the east of the Cadlao oil field in SC 6. Reprocessing of the approximately 402 sq km of the existing TQ3D seismic survey has been completed and is still under review by the Operator.

EXPLORATION AND APPRAISAL — Philippines



**EXPLORATION AND APPRAISAL — Indonesia**

**BARONANG PRODUCTION SHARING CONTRACT**

<b>Location:</b>	West Natuna Basin, Indonesia		
<b>Area:</b>	282,500 hectares	<b>Operator:</b>	Lundin Petroleum
<b>Nido's Interest:</b>	10.00% (15%*)	<b>Action:</b>	Withdrawal from PSC

Nido is in the process of withdrawing from this Production Sharing Contract.

\*Nido exercised its right to acquire an additional 5% working interest but this transfer of interest is yet to receive regulatory approval.

**CAKALANG PRODUCTION SHARING CONTRACT**

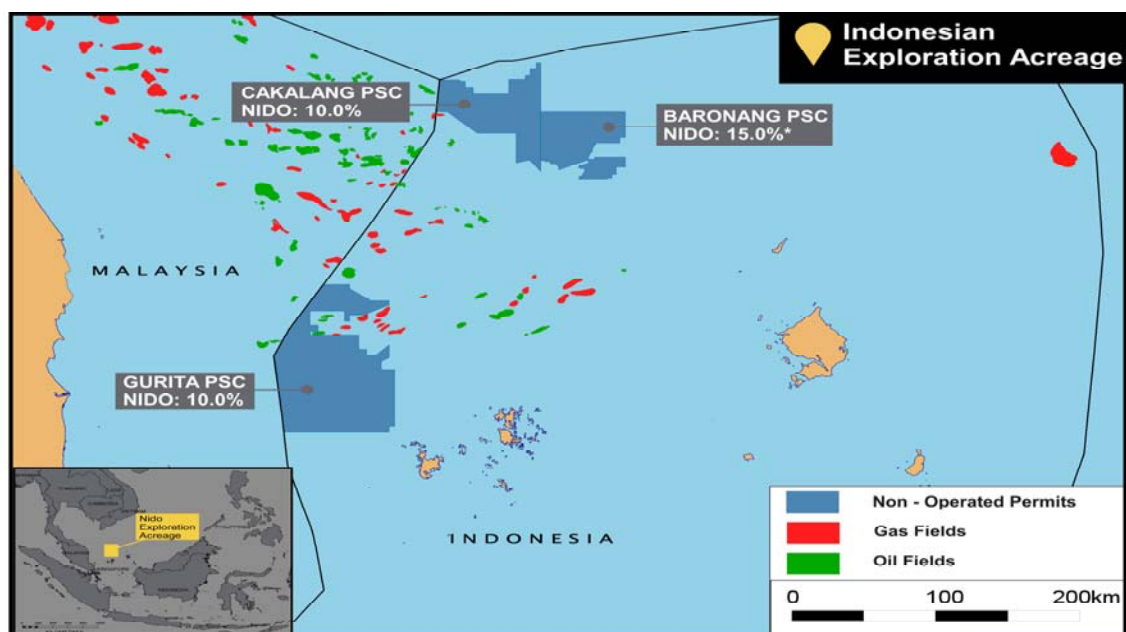
<b>Location:</b>	West Natuna Basin, Indonesia		
<b>Area:</b>	337,200 hectares	<b>Operator:</b>	Lundin Petroleum
<b>Nido's Interest:</b>	10.00%	<b>Action:</b>	Withdrawal from PSC

Nido is in the process of withdrawing from this Production Sharing Contract.

**GURITA PRODUCTION SHARING CONTRACT**

<b>Location:</b>	Penyu Sub-Basin, Indonesia		
<b>Area:</b>	801,800 hectares	<b>Operator:</b>	Lundin Petroleum
<b>Nido's Interest:</b>	10.00%	<b>Action:</b>	Evaluating remaining prospectivity of the block

Nido is in the process of withdrawing from this Production Sharing Contract.





## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Report has been prepared in \$US

**Name of entity**

NIDO PETROLEUM LIMITED ("Nido")

**ABN**

65 086 630 373

**Quarter ended ("current quarter")**

31 March 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (3 months ending 31 March 2017) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,437	11,437
1.2 Payments for		
(a) exploration & evaluation	(7,478)	(7,478)
(b) development	-	-
(c) production	(9,216)	(9,216)
(d) staff costs	(1,031)	(1,031)
(e) administration & corporate costs (gross)	(894)	(894)
(f) overhead recovery	1,044	1,044
(e)-(f) administration & corporate costs (net)	150	150
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (crude oil derivative net proceeds)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(6,137)</b>	<b>(6,137)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months ending 31 March 2017) \$US'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(25)	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(25)</b>	<b>(25)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	31,974	31,974
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,137)	(6,137)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	(25)
4.5	Effect of movement in exchange rates on cash held	(35)	(35)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>25,777</b>	<b>25,777</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	25,771	31,968
5.2 Call deposits	6	6
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,777</b>	<b>31,974</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$US'000
223
-

Represents fees paid to Directors, including the Managing Director's salary

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$US'000
-
-

While Nido has no related entity cash flow movements in items 1.2 or 2.3, Nido has a long term debt facility with its majority shareholder The Bangchak Corporation Public Company Limited (formerly 'The Bangchak Petroleum Public Company Limited'). Details of cash flow movements relating to this facility are shown in items 3.5 and 3.6. Details of the facility agreement can be found in section 8.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end (*) \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
8.1 Loan facilities	120,000	78,200
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

(\*) Relates to the amount available under the revolving debt loan facility with Bangchak Petroleum Public Company which was revised on 22 March 2016 (original agreement signed 12 December 2014). The revised facility comprises two components – (i) up to USD\$120 million available under “Facility A” where the primary purpose is to fund the acquisition of oil and gas assets (as at 31 March 2017 the balance drawn for Facility A was USD \$78.2 million); and (ii) up to USD \$4.0 million available under “Facility B” where the primary purpose is to provide additional financial support (as at 31 March 2017 the balance drawn for Facility B was USD \$nil). Under the terms of the revolving debt loan facility, the Company’s total indebtedness cannot exceed USD\$120 million.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	(8,589)
9.2 Development	-
9.3 Production	(8,281)
9.4 Staff costs	(1,175)
9.5 Administration and corporate costs	(1,344)
9.6 Other (overhead recovery)	1,060
<b>9.7 Total estimated cash outflows</b>	<b>(18,329)</b>

\* Forecast cash inflows for the second quarter of 2017 include revenues from 1 lifting from the Galoc oil field at a working entitlement of 55.88% for the Nido Group.

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: 21 April 2017.....

Print name: John Newman

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.