

Q2

2015 Activities Report



Quarterly Report

For the period ending 30 June 2015

HIGHLIGHTS

- ◆ **Nido's net production from the Galoc oil field during the second quarter was 325,289 bbls on a 55.88% participating interest basis**
- ◆ **Production uptime for the Galoc oil field was 99.8% during the quarter and average gross daily production was 6,397 bopd**
- ◆ **The Company approved a change in functional & reporting currency from AUD to USD with effect from 1 April 2015**
- ◆ **Mr William Bloking assumed the role of Executive Chairman on 1 May 2015 following the resignation of Mr Philip Byrne as Managing Director**
- ◆ **The Company's AGM was held on 22 May 2015 in South Perth with all resolutions passed**
- ◆ **The Company completed a 50:1 consolidation of the Company's share capital during the quarter**
- ◆ **Dr. Michael Fischer was appointed new Managing Director of the Company with his new role to commence on or before 1 September 2015**

I provide to you the following summary of the Company's activities for Q2 2015.

Galoc up-time was 99.8% and production was steady during the quarter with average daily oil production of 6,397 bbls. The Joint Venture is continuing to progress the relevant sub-surface and preliminary engineering studies in readiness for considering Phase III development options for the mid-Galoc area of the field.

The Company has recently released contingent resource estimates for the mid-Galoc area of the Galoc oil field undertaken by Gaffney Cline and Associates (GCA). The independent assessment estimates the mid-Galoc area of the field as at 30 June 2015 contains 1C and 2C Contingent Resources at 6.2 mmstb and 9.5 mmstb on a gross basis respectively (3.4 mmstb and 5.3 mmstb net to Nido on a Net Working Interest (NWI) basis.)

In relation to the West Linapacan A re-development project the Philodrill Corporation ("Philodrill") has been appointed Operator following the termination of RMA West Linapacan Pte Ltd's interests in the Service Contract. Nido is continuing to assess its options with respect to this project.

During the quarter, the Company continued to evaluate new exploration, development and production opportunities. The Company is actively considering a number of proposals and

we will update the market with any material developments.

I am pleased to report that the Company's Annual General Meeting was held on 22 May 2015 at the South Perth Civic Centre and all resolutions were passed with an overwhelming majority. Following the Meeting, the Company implemented a 50:1 consolidation of the Company's share capital.

Finally, I am delighted to confirm that Dr. Michael Fischer has been appointed as the new Managing Director of the Company. Mike will commence his employment on or before 1 September 2015 and we look forward to working with Mike in implementing our growth strategy.

A handwritten signature in blue ink that reads 'William J. Bloking'.

WILLIAM BLOKING
EXECUTIVE CHAIRMAN

FINANCIAL AND CORPORATE

PRODUCTION SUMMARY	Qtr 2 2015	Year-to-date 2015	Previous Qtr Q1 2015
Volumes - Lifted & Sold (stb)			
Service Contract 14:			
Galoc oil field (net to Nido)	387,243	656,047	268,804
Nido & Matinloc oil fields (net to Nido)*	9,550	17,911	8,361
TOTAL VOLUMES LIFTED & SOLD	396,793	673,958	277,165
FINANCIAL SUMMARY			
Cash Inflows—US\$ '000			
Receipts from sale of crude oil	12,297	27,127	14,830
Interest & other	7	9	2
Proceeds from debt facility	-	108,000	108,000
TOTAL CASH INFLOWS	12,304	135,136	122,832
Cash Outflows—US\$ '000			
Exploration expenditure	(783)	(1,782)	(999)
Development expenditure	-	-	-
Production OPEX	(9,859)	(18,559)	(8,700)
Income taxes	(1,239)	(2,239)	(1,000)
Repayment of borrowings & financing costs	(1,852)	(31,286)	(29,434)
Equity investment - GPC	287	(73,041)	(73,328)
Administration & other expenses	(1,604)	(2,968)	(1,364)
Foreign exchange movement & other	(2)	(12)	(10)
TOTAL CASH OUTFLOWS	(15,052)	(129,887)	(114,835)
Cash Position – US\$ '000			
Cash on Hand	14,160	14,160	16,908
Debt – Secured Debt Facility	(88,200)	(88,200)	(89,955)

* 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\$14.2 million and debt outstanding of US\$88.2 million.

INFLOWS

Galoc production was steady and cash inflows from crude oil sales totalled US\$12.3 million with receipts from 2 cargoes. There were no cash receipts received from the Nido/Matinloc oil fields during the quarter.

OUTFLOWS

Cash outflows from production operations at the Galoc oil field and the Nido/Matinloc oil fields amounted to US\$9.9 million.

Cash outflows for exploration activities of US\$0.8 million relate mainly to new venture exploration expenses and expenditure relating to the mid-Galoc area.

Payment of principal, interest and other financing costs of US\$1.9 million primarily relates to the senior secured debt facility for the Galoc Phase II development project with Credit Suisse. The Senior secured debt facility with Credit Suisse was paid out in full in Q2, 2015.

Net inflows relating to the equity investment of US\$0.3 million primarily relates to the settlement adjustment amount of US\$0.8 million from the acquisition of Galoc Production Company WLL (GPC) offset by US\$0.5 million residual acquisition costs paid in the quarter.

Tax expense payments and general administration expenditure totalled US\$1.2 million and US\$1.6 million respectively for the quarter.

FINANCIAL AND CORPORATE

PRELIMINARY (UNAUDITED) Q2 and HALF YEAR 2015 FINANCIAL INFORMATION

Nido has provided preliminary Q2 and Half Year 2015 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:

<i>Statement of Comprehensive Income for the Half Year 2015 (US\$ '000)</i>	30 June 2015
Revenue from sale of crude oil	40,979
EBIT	(924)
Net profit / (loss) for the half year 2015	(834)
<i>Balance Sheet as at 30 June 2015 (US\$ '000)</i>	
Current Assets	41,175
Non-current Assets	170,877
Current Liabilities	16,969
Non-current Liabilities	122,969
Net Assets	72,114
<i>Statement of Cash Flows for the Half Year 2015 (US\$ '000)</i>	
Net cash from operating activities	3,007
Net cash (used in) investing activities	(74,853)
Net cash (used in) financing activities	77,090

PRODUCTION AND DEVELOPMENT—Philippines

SERVICE CONTRACT 14C1 - GALOC OIL FIELD

Location:	Palawan Basin, Philippines		
Area:	16,000 hectares	Operator:	Nido (GPC)
Nido's Interest:	55.88%	Activity:	Galoc Production

Production tests continued during the quarter to optimise production settings in the field.

Gross Production from the Galoc oil field during the quarter was 582,125 bbls (325,289 bbls net to Nido) with a gross average production rate of 6,397 bopd (3,575 bopd net to Nido).

Cargo 45 was lifted on 19 April 2015 with 347,684 bbls (194,284 bbls net to Nido) with a realised fob price of USD 60.62 per bbl.

Cargo 46 was lifted on 15 June 2015 with 345,313 bbls (192,959 bbls net to Nido) with a realised fob price of USD 62.98 per bbl.

Both liftings were sold to SK Energy in South Korea.

The Joint Venture also finalised the negotiation of revised terms for the FPSO Contract with Rubicon Offshore International Pte Ltd during the last quarter. The duration of the revised FPSO Contract is for a three year period (until 30 June 2018), with an option to extend.

Subsequent to quarter end, contingent resource estimates for the mid-Galoc area of the Galoc oil field, as at 30 June 2015, was undertaken by Gaffney Cline & Associates on behalf of the Company.

GCA's assessment estimated 1C, 2C and 3C Contingent Resources on a gross basis at 6.2 mmstb, 9.5 mmstb and 14.6 mmstb (3.4 mmstb, 5.3 mmstb and 8.1 mmstb net to Nido on a NWI basis).

The Independent Contingent Resource estimation is a key milestone in the plan to develop the mid-Galoc area of the field.

**Rubicon
Intrepid
on
location**



Resources Information

The contingent resource information contained in this report concerning the Mid-Galoc Area of the Galoc oil field is a summary of the report filed by the Company on the ASX on 14 July 2015 and was released on the relevant date with the written consent of Mr Stephen Lane, B.Sc. (Hons.) Geology, Technical Director, Gaffney Cline & Associates who is a member of the Society of Petroleum Engineers and has at least five years' experience in the sector. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements and confirms that all of the material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed.

PRODUCTION AND DEVELOPMENT—Philippines

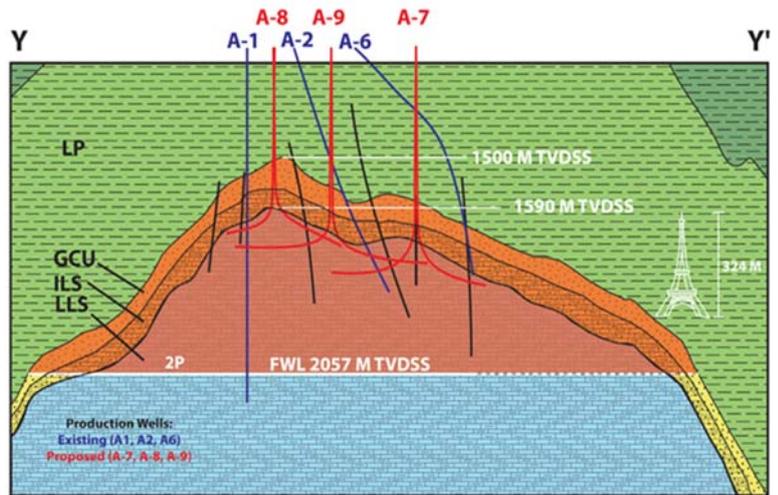
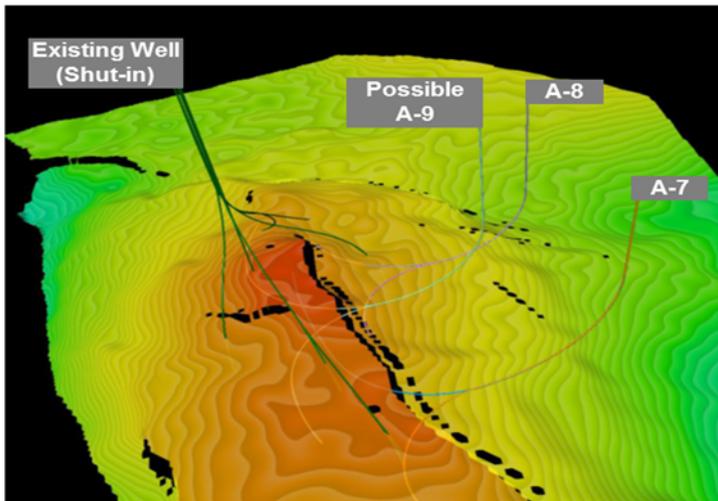
SERVICE CONTRACT 14C2 - WEST LINAPACAN A

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

The Company received notification during the last quarter that Pitkin Petroleum Plc ('Pitkin') had been issued with a default and termination notice under its farm-in agreement with the Filipino parties to the Service Contract.

The Company subsequently received notification from the Department of Energy that Pitkin Petroleum Plc's and RMA West Linapacan Pte Ltd's interests in the Service Contract have pursuant to the terms of the relevant farm-in agreements reverted to the Philodrill Corporation, Oriental Petroleum & Minerals Corporation, Linapacan Oil Gas & Power Corporation, Forum Energy Phils. Corporation, Cosco Capital Inc. and PetroEnergy Resources Corporation.

The Philodrill Corporation has been appointed operator of the West Linapacan Joint Venture. Nido is continuing to assess its options with respect to this project.



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

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

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 38,705 bbls (9,904 bopd net to Nido). A total of 37,452 bbls (9,550 bopd net to Nido) was lifted and sold during the quarter.

EXPLORATION AND APPRAISAL—Philippines

SERVICE CONTRACT 54A and 54B

Location:	Palawan Basin, Philippines		
Area:	88,000 hectares	Operator:	Nido
Nido's Interest:	42.4%	Opportunity:	Multiple small field development opportunities

During the 3rd quarter of 2014 the Company was granted a 3 year moratorium with respect to Service Contract 54. The moratorium period extends from 5 August 2014 to 5 August 2017 and 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 these Blocks.

SERVICE CONTRACT 63

Location:	Palawan Basin, Philippines		
Area:	1,067,000 hectares	Operator:	PNOC-EC
Nido's Interest:	20%	Activity:	Evaluating Baragatan exploration well results

During the last quarter of 2014 the Department of Energy agreed to extend the current Sub-Phase 2 for a period of 12 months from 24 November 2014 to 24 November 2015 so as to enable the SC 63 Joint Venture to complete post well evaluation of the Baragatan-1A exploration well. SC63 Operator PNOC-EC is progressing subsurface studies post the drilling of the Baragatan– 1A well. The results of this work will be used to assess the remaining potential of the block ahead of the decision to enter the next sub-phase in November.

SERVICE CONTRACT 58

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

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

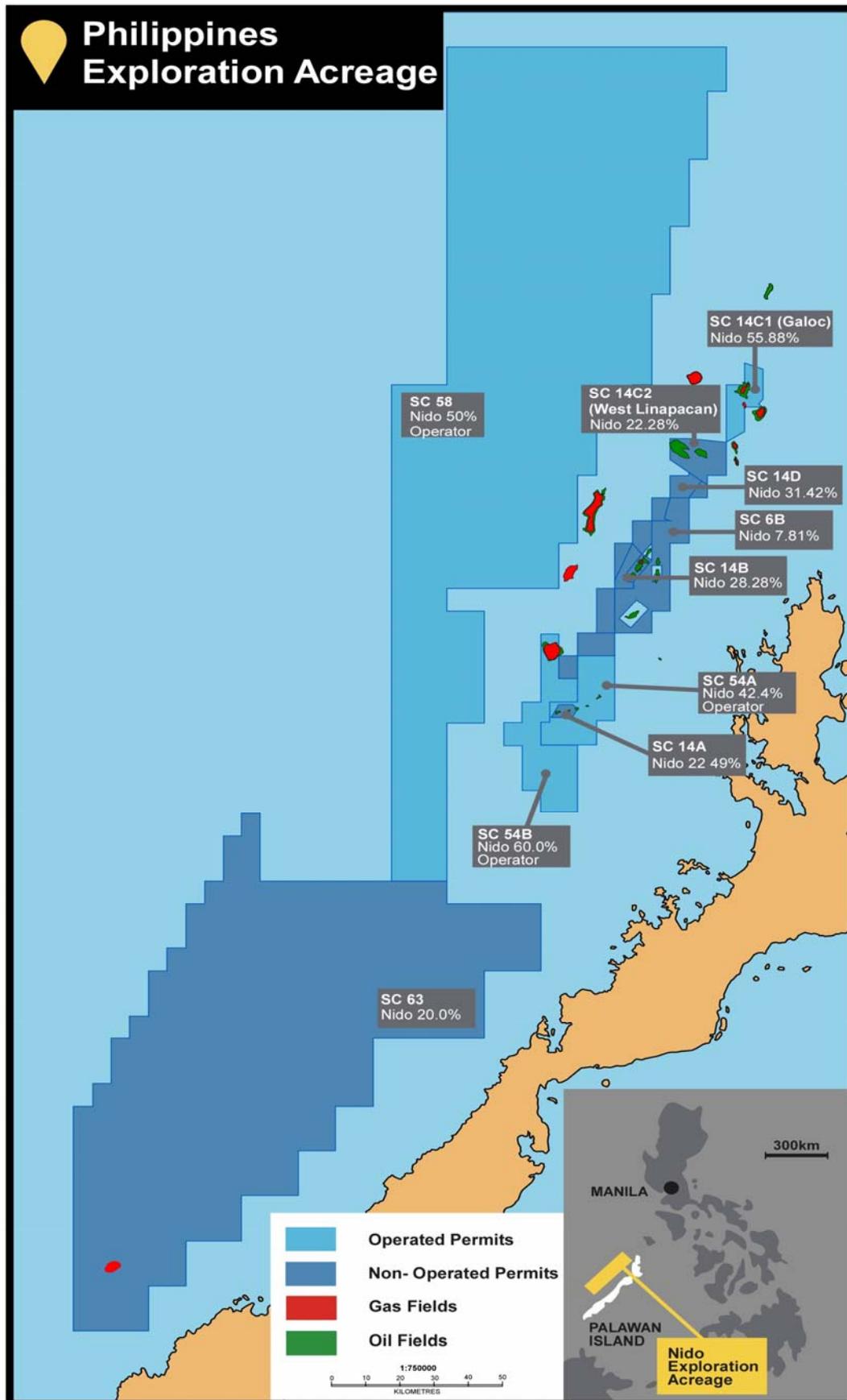
During the last quarter Nido obtained approval from the DOE to place the Service Contract into a period of suspension pending the outcome of arbitration proceedings between the Philippines and the Peoples Republic of China over ownership of the West Philippine Sea in which SC 58 is located. The Company also obtained a further extension of the election to drill decision required under the Company's farm-out agreement with PNOC EC.

SERVICE CONTRACT 6B - BONITA

Location:	Palawan Basin, Philippines		
Area:	55,000 hectares	Operator:	Philodrill
Nido's Interest:	7.81%	Opportunity:	Exploration

During the last quarter, technical work has 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, where the Company is not a participant. Reprocessing of approximately 402 sq km of the existing TQ3D seismic survey over both these prospective areas is being planned by the SC 6B Joint Venture.

EXPLORATION AND APPRAISAL — Philippines



EXPLORATION AND APPRAISAL — Indonesia

BARONANG PRODUCTION SHARING CONTRACT

Location:	West Natuna Basin, Indonesia		
Area:	282,500 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00% (15%*)	Action:	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

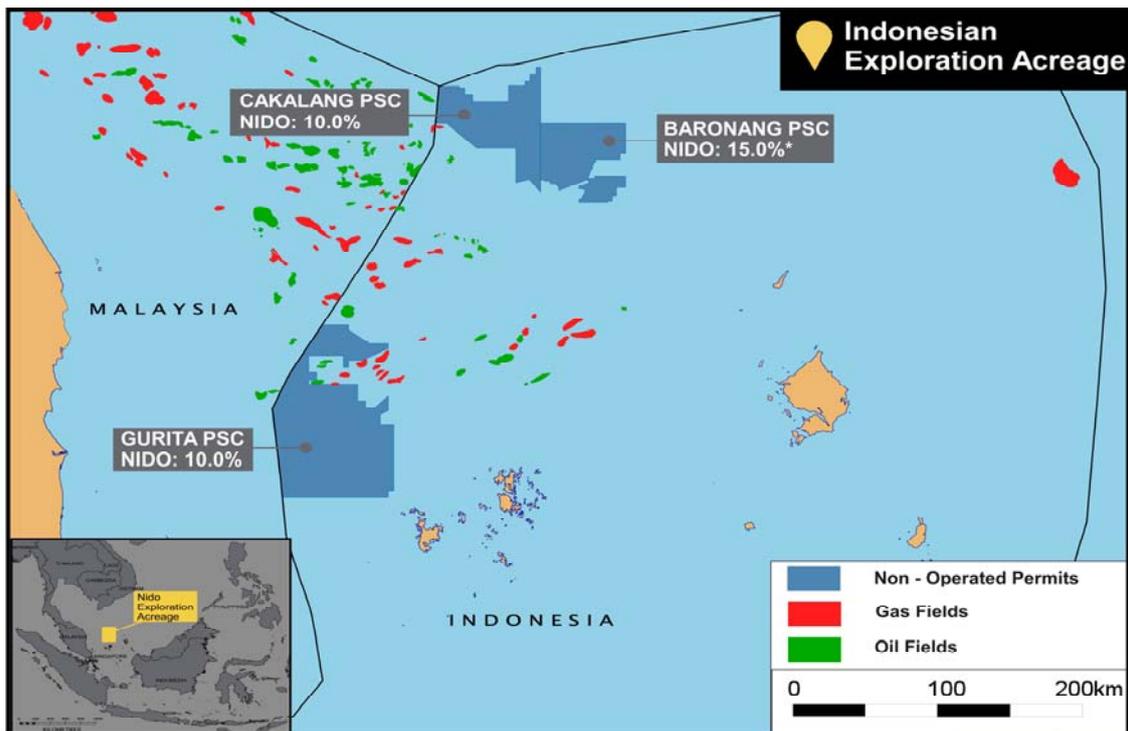
Location:	West Natuna Basin, Indonesia		
Area:	337,200 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00%	Action:	Withdrawal from PSC

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

GURITA PRODUCTION SHARING CONTRACT

Location:	Penyu Sub-Basin, Indonesia		
Area:	801,800 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00%	Action:	Evaluating Gobi-1 well results

The Operator Lundin is continuing a technical review of the block following the drilling of the Gobi-1 well in Q4 of 2014.



Appendix 5B

Mining exploration entity quarterly report

Report has been prepared in \$US

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

Name of entity

NIDO PETROLEUM LIMITED

ABN

65 086 630 373

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 months ending 30 June 2015) \$US'000
1.1 Receipts from product sales and related debtors	12,297	27,127
1.2 Payments for (a) exploration & evaluation	(783)	(1,782)
(b) development	-	-
(c) production	(9,859)	(18,559)
(d) administration	(1,598)	(2,938)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	9
1.5 Interest and other costs of finance paid	(36)	(376)
1.6 Income taxes paid	(1,239)	(2,239)
1.7(a) Other - insurance proceeds	-	-
Net Operating Cash Flows	(1,211)	1,242
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	287	(73,041)
net of cash acquired		
(c) other fixed assets	(6)	(30)
1.9 Net Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	281	(73,071)
1.13 Total operating and investing cash flows (carried forward)	(930)	(71,829)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(930)	(71,829)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc (net of costs).	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	108,000
1.17(a)	Repayment of borrowings	(1,755)	(30,341)
1.17(b)	Payment for financing costs	(61)	(569)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(1,816)	77,090
	Net increase (decrease) in cash held	(2,746)	5,261
1.20	Cash at beginning of quarter/year to date	16,908	8,911
1.21	Exchange rate adjustments to item 1.20	(2)	(12)
1.22	Cash at end of quarter	14,160	14,160

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	133
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Represents fees paid to Directors, including the Managing Director salary.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available* \$US'000	Amount used \$US'000
3.1 Loan facilities	100,000	88,200
3.2 Credit standby arrangements	-	-

**Relates to the amount available under the revolving debt loan facility entered into with Bangchak Petroleum Public Company (the primary purpose of the debt facility to fund the acquisition of oil and gas assets) on the 12 December 2014 for up to an available amount of USD\$100 million which as at the 30 June 2015 the balance was USD \$88.2 million.*

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	(647)
4.2 Development	-
4.3 Production	(12,294)
4.4 Administration	(1,736)
Total	(14,677)

** Forecast cash inflows for the third quarter of 2015 include revenues from 1 lifting from the Galoc oil field at a working entitlement of 55.88% for the Nido Group.*

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank*	14,116	16,864
5.2 Deposits at call	44	44
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,160	16,908

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report
Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	-	-	-	-
7.2	-	-	-	-
7.3	43,765,712	43,765,712	-	Fully paid

+ See chapter 19 for defined terms.

7.4	Changes during quarter	*During the quarter the Company completed a 50:1 consolidation of the Company's share capital. Prior to the consolidation the Company's shares on issue totalled 2,188,266,468				
	(a) Increases through issues					
	(b) Decreases through returns of capital, buy-backs					
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
	Managing Director Performance Rights (performance rights issued to the Managing Director with Shareholder approval – same terms and conditions as Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
7.8	Issued during quarter	Nil	Nil	Nil	Nil

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.9	Exercised during quarter				
	Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
7.10	Expired during quarter	Nil	Nil	Nil	Nil -
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 22 July 2015
John Newman
(Company secretary)

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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