

Q4

2015 Activities Report



Quarterly Report

For the period ending 31 December 2015

HIGHLIGHTS

- ◆ **Nido's net production from the Galoc oil field during the fourth quarter was 293,381 bbls on a 55.88% participating interest basis**
- ◆ **Production uptime for the Galoc oil field was 99.51% during the quarter and average gross daily production was 5,707 bopd**
- ◆ **Cargoes 48 and 49 were lifted on 10 October 2015 and 09 December 2015 respectively with the total lifted volume of 347,883 (194,395 bbls net to Nido) for cargo 48 and a total lifted volume of 367,117 (205,143 bbls net to Nido) for cargo 49**
- ◆ **Cyclical production continued from the Nido and Matinloc oil fields (9,072 bbls net to Nido)**
- ◆ **Nido ended the quarter with US\$17.5 million cash on hand**

I am pleased to provide to you the following summary of the Company's activities for Q4 2015.

Galoc up-time was 99.51% for the quarter with gross average daily oil production of 5,707 bbls (3,189 bopd on a net to Nido basis) with total production of 525,024 bbls (293,381 bbls net to Nido).

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 36,109 bbls (9,072 bbls net to Nido). A total of 37,776 bbls (9,573 bbls net to Nido) was lifted and sold during the quarter.

In relation to the potential Galoc Phase III development, the Joint Venture continued to progress sub-surface and preliminary engineering studies and is still considering a possible appraisal well in the mid-Galoc area of the field to confirm the commerciality of the project.

The Company has continued to evaluate new exploration, development and production assets and is actively considering a number of opportunities. We will update the market with any material developments.

During the current challenging oil price environment, the Company is continuing to take all steps necessary to maximise shareholder return by embarking on significant cost-cutting initiatives and reducing expenditure where possible.

Despite the difficult external environment we remain optimistic that Nido will be able to identify and capitalise on the good

growth opportunities that the downturn will create.

We look forward to meeting the challenges of the year ahead and to position Nido for significant future growth.

A handwritten signature in black ink, appearing to read "Mike Fischer".

DR MIKE FISCHER
MANAGING DIRECTOR

FINANCIAL AND CORPORATE

LIFTING SUMMARY	Qtr 4 2015	Year-to-date 2015	Previous Qtr Q3 2015
Volumes - Lifted & Sold (stb)			
Service Contract 14:			
Galoc oil field (net to Nido)	399,539	1,250,000	194,414
Nido & Matinloc oil fields (net to Nido)*	9,573	34,080	6,589
TOTAL VOLUMES LIFTED & SOLD	409,112	1,284,080	201,003
FINANCIAL SUMMARY			
Cash Inflows—US\$ '000			
Receipts from sale of crude oil	8,762	57,272	21,383
Interest & other	46	1,203	1,148
Proceeds from debt facility	-	108,000	-
TOTAL CASH INFLOWS	8,808	166,475	22,531
Cash Outflows—US\$ '000			
Exploration expenditure	(924)	(3,681)	(974)
Development expenditure	-	-	-
Production OPEX	(5,341)	(35,811)	(11,910)
Income taxes	(1,680)	(3,919)	-
Repayment of borrowings & financing costs	(512)	(35,800)	(4,002)
Equity investment - GPC	-	(73,041)	-
Administration & other expenses	(1,216)	(5,495)	(1,312)
Foreign exchange movement & other	(11)	(108)	(86)
TOTAL CASH OUTFLOWS	(9,684)	(157,855)	(18,284)
Cash Position – US\$ '000			
Cash on Hand	17,531	17,531	18,407
Debt – Secured Debt Facility	(88,200)	(88,200)	(88,200)

* 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\$17.5 million and debt outstanding of US\$88.2 million.

INFLOWS

Galoc production was steady and cash inflows from crude oil sales totalled US\$8.8 million with receipts from cargo 48 received in the reporting period. The proceeds from cargo 49 were received in January 2016. There were no cash receipts received from the Nido/Matinloc oil fields for this quarter.

Interest & other inflows include an amount of US\$0.043 million received on settlement of a crude oil hedge put option on 6 November 2015. Funds were received as a result of the put option strike price being higher than the average Brent oil price for the month of October.

OUTFLOWS

Cash outflows from production operations at the Galoc oil field and the Nido/Matinloc oil fields amounted to US\$5.3 million.

Cash outflows for exploration activities of US\$0.9 million relate mainly to new venture exploration expenses and expenditure relating to the mid-Galoc area studies.

Payment of interest and other financing costs of US\$0.5 million primarily relates to the revolving debt loan facility entered into with Bangchak Petroleum Public Company Limited ('BCP'). No principal repayments were made to BCP during the quarter.

There was a tax expense payment of US\$1.7 million and general administration expenditure totalled US\$1.2 million for the quarter.

FINANCIAL AND CORPORATE
PRELIMINARY (UNAUDITED) Q4 FINANCIAL INFORMATION

Nido has provided preliminary Q4 financial information to BCP Energy International Pte Ltd ('BCPE') for their quarterly and year-end reporting processes. 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 year ending 31 December 2015 (US\$ '000)</i>	31 December 2015
Revenue from sale of crude oil	68,374
EBIT	(14,684)
Net (loss) for the year ending 31 December 2015	(20,696)
 <i>Balance Sheet as at 31 December 2015 (US\$ '000)</i>	
Current Assets	38,323
Non-current Assets	158,432
Current Liabilities	24,032
Non-current Liabilities	120,292
Net Assets	52,431
 <i>Statement of Cash Flows for the year ending 31 December 2015 (US\$ '000)</i>	
Net cash from operating activities	4,853
Net cash (used in) investing activities	(73,097)
Net cash (from) financing activities	76,972

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

Gross production from the Galoc oil field during the quarter was 525,024 bbls (293,381 bbls net to Nido) with a gross average production rate of 5,707 bopd (3,189 bopd net to Nido).

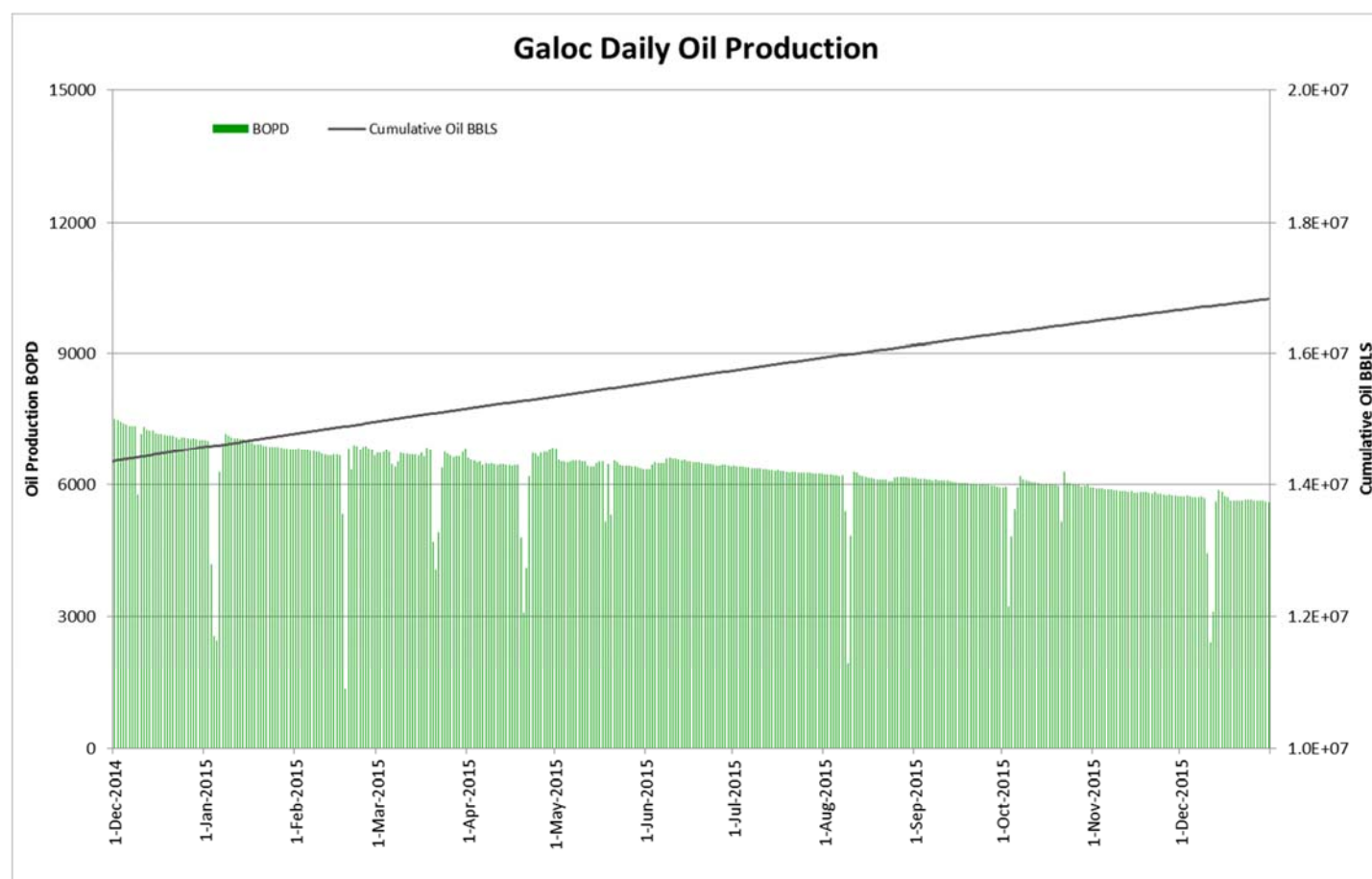
Cargo 48 was lifted on 10 October 2015 with 347,883 bbls (194,395 bbls net to Nido) with a realised FOB price of US\$47.04 per bbl. Cargo 48 was sold to Singapore Petroleum Company in Singapore.

Cargo 49 was lifted on 09 December 2015 with 367,117 bbls (205,143 bbls net to Nido) with a realised FOB price of US\$37.59 per bbl. Cargo 49 was sold to Thai Oil Public Co. Ltd in Thailand.

In relation to the potential Phase III development, the Joint Venture continued to progress relevant sub-surface and preliminary engi-

neering studies. The Joint Venture is still considering a possible appraisal well in the mid-Galoc area to confirm the commerciality of the Phase III development.

Testing of the hydraulic swivels on the FPSO's riser turret mooring system was carried out during the quarter. The test results confirmed the hydraulic swivels have the required technical integrity to maintain safe and reliable production. As a result, repair of the hydraulic swivels was not required and Galoc production was maintained at full rates throughout the quarter. The integrity of the hydraulic swivels is monitored and tested on an ongoing basis.



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 Philodrill Corporation as Operator of the Joint Venture continued to carry out a review and status audit of Joint Venture activities following the removal of RMA West Linapacan Pte Ltd from the Service Contract.

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 36,109 bbls (9,072 bbls net to Nido). A total of 37,776 bbls (9,573 bbls 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% (Block A) 60% (Block B)	Opportunity:	Multiple small field development opportunities

During the third quarter of 2014 the Company was granted a three 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 quarter, the SC63 Operator, PNOC-EC, requested a three year moratorium and an amendment to the Sub-Phase 3 Work Program and is awaiting approval from the Department of Energy.

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.

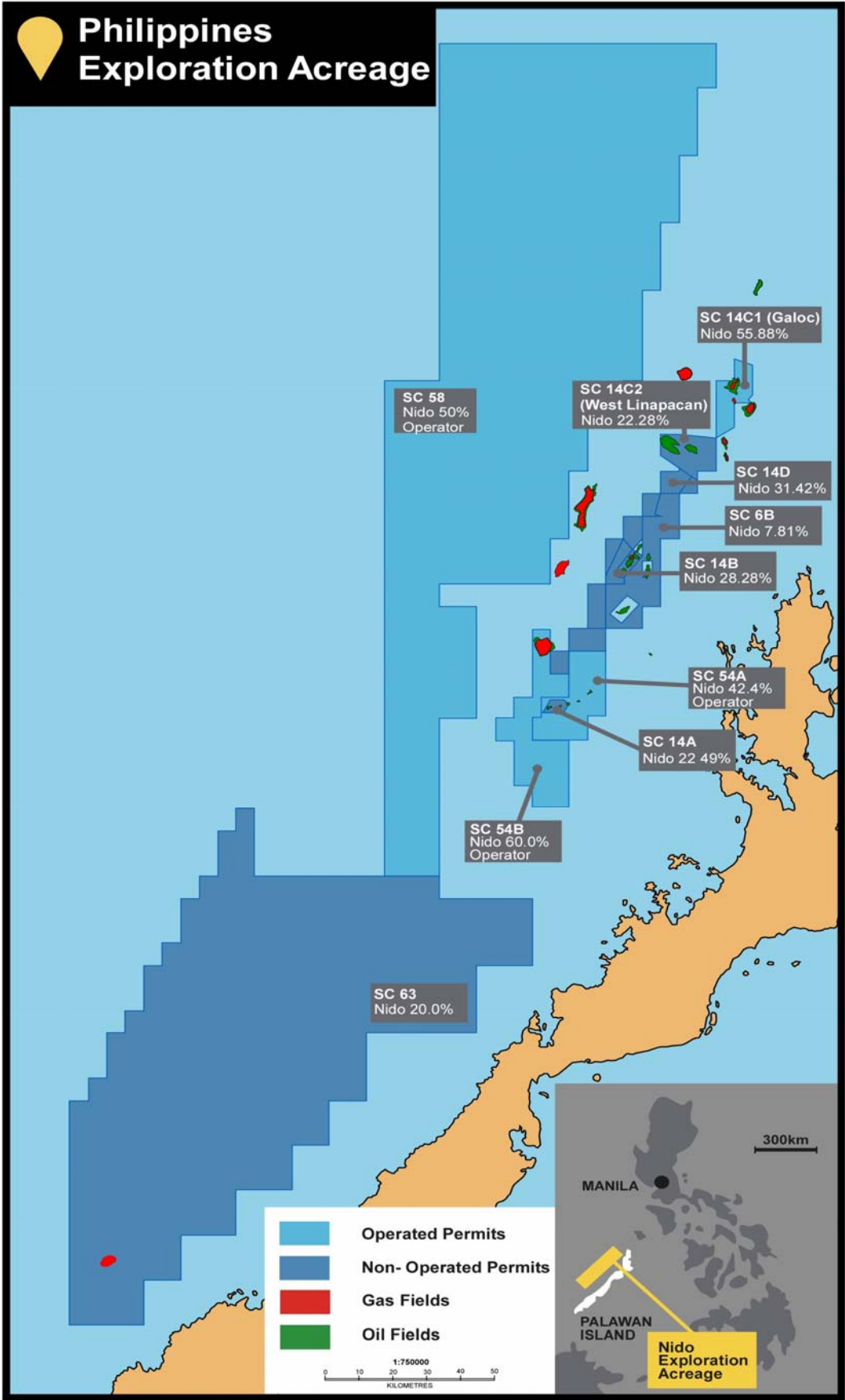
During the first quarter of 2015 Nido obtained approval from the DOE to place the Service Contract into a period of suspension pending the outcome of arbitration proceedings between the Philippines and the Peoples Republic of China over ownership of the West Philippine Sea in which SC 58 is located. 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 2015, the Joint Venture 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. Reprocessing of approximately 402 sq km of the existing TQ3D seismic survey is ongoing and is expected to be completed in early 2016.

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

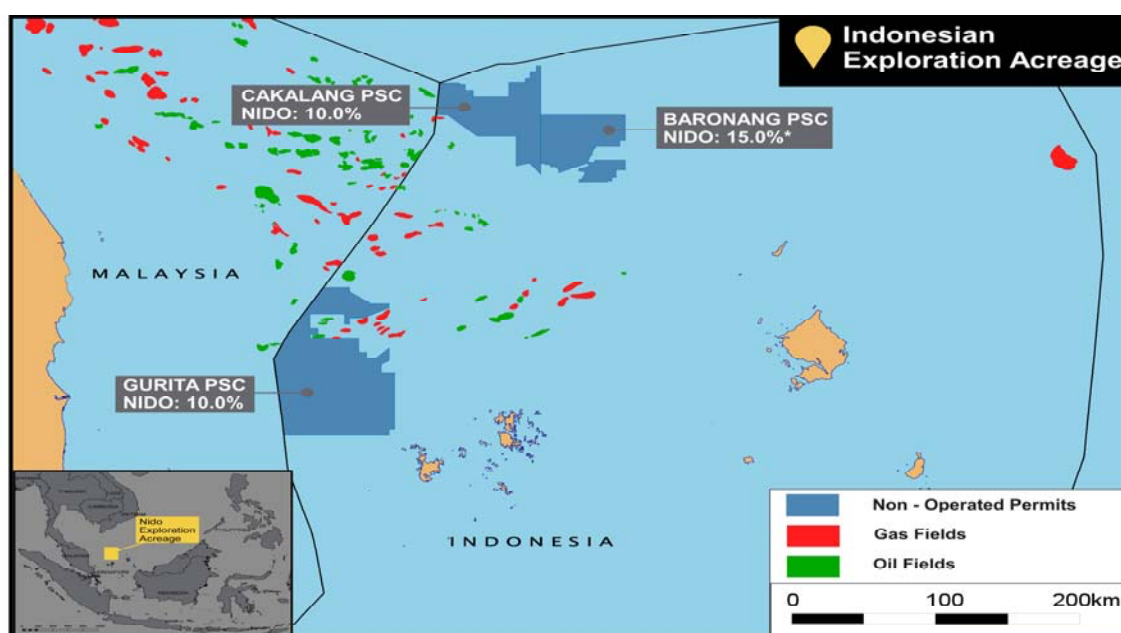
Location:	West Natuna Basin, Indonesia		
Area:	337,200 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00%	Action:	Withdrawal from PSC

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 has advised Nido that it intends to withdraw from the PSC, subject to the receipt of any necessary regulatory approvals. There was no material operational activity in the Gurita PSC during the last quarter. The PSC is currently in Year 5 which ends at the end of March 2016.



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")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (12 months ending 31 December 2015) \$US'000
1.1	Receipts from product sales and related debtors	8,762	57,272
1.2	Payments for (a) exploration & evaluation	(924)	(3,681)
	(b) development	-	-
	(c) production	(5,341)	(35,811)
	(d) administration	(1,216)	(5,439)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	17
1.5	Interest and other costs of finance paid	(512)	(4,772)
1.6	Income taxes paid	(1,680)	(3,919)
1.7(a)	Other – Put option derivative proceeds	43	1,186
Net Operating Cash Flows		(865)	4,853
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(73,041)
	net of cash acquired	-	(56)
	(c) other fixed assets	-	-
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		-	(73,097)
1.13	Total operating and investing cash flows (carried forward)	(865)	(68,244)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(865)	(68,244)
1.14	Cash flows related to financing activities		
	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	-	(30,341)
1.17(b)	Payment for financing costs	-	(687)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	76,972
	Net increase (decrease) in cash held	(865)	8,728
1.20	Cash at beginning of quarter/year to date	18,407	8,911
1.21	Exchange rate adjustments to item 1.20	(11)	(108)
1.22	Cash at end of quarter	17,531	17,531

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
1.24	Aggregate amount of loans to the parties included in item 1.10
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
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

+ 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	120,000	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\$120 million which as at the 31 December 2015 the balance was USD \$88.2 million.*

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	(698)
4.2 Development	-
4.3 Production**	(11,097)
4.4 Administration	(959)
Total	(12,754)

** Forecast cash inflows for the first quarter of 2016 include revenues from 2 liftings from the Galoc oil field at a working entitlement of 55.88% for the Nido Group.*

*** Includes estimated abandonment fund payment of USD0.7 million for Nido's share (55.88%) in the Galoc oil field for the first quarter of 2016.*

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	17,489	18,367
5.2 Deposits at call	42	40
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	17,531	18,407

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				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)	-	-	-	-
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.

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 January 2016
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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