

2 November 2016

ASX ANNOUNCEMENT

Pro-rata Renounceable Entitlement Offer – Despatch of Offer Booklet

Nido Petroleum Limited (ASX: NDO) is pleased to advise that the Offer Booklet for the Pro-rata Renounceable Entitlement Offer as announced on Friday, 21 October 2016 (**Entitlement Offer**) and the personalised Entitlement and Acceptance Forms have been despatched to Eligible Shareholders today.

As previously advised, the Entitlement Offer will be conducted in accordance with the following indicative timetable:

Event	Date
Announcement of the Entitlement Offer	Friday 21, October 2016
Despatch notice to Shareholders	Monday 24, October 2016
Ex date and Entitlement trading commences	Wednesday, 26 October 2016
Record Date for eligibility in the Entitlement Offer (7pm)	Thursday, 27 October 2016
Offer Booklet despatched, Entitlement Offer opens	Wednesday, 2 November 2016
Entitlement trading ends	Tuesday, 22 November 2016
New Shares quoted on a deferred settlement basis	Wednesday, 23 November 2016
Last day to extend the Entitlement Offer closing date	Thursday, 24 November 2016
Entitlement Offer closing date (5pm)	Tuesday, 29 November 2016
Nido notifies ASX of under subscriptions	Friday, 2 December 2016
Shortfall allocations completed	Friday, 2 December 2016

Event	Date
Issue New Shares issued under the Entitlement Offer	Tuesday, 6 December 2016
Trading of New Shares on a normal settlement basis	Wednesday, 7 December 2016
Despatch of holding statements for New Shares	Friday, 9 December 2016

All times and dates above refer to Australian Eastern Daylight Time (AEDT).

For further information please contact:

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Join our electronic mailing list and find more information about Nido Petroleum at: www.nido.com.au



NIDO PETROLEUM LIMITED

ABN 65 086 630 373

ENTITLEMENT OFFER

AN 11.2 FOR 1 RENOUNCEABLE PRO RATA ENTITLEMENT OFFER OF NIDO PETROLEUM LIMITED (NIDO) FULLY PAID ORDINARY SHARES (NEW SHARES) AT AN ISSUE PRICE OF \$0.065 PER NEW SHARE TO RAISE APPROXIMATELY \$31.9 MILLION (BEFORE COSTS) (ENTITLEMENT OFFER).

THIS ENTITLEMENT OFFER CLOSSES AT 5PM (AEDT) ON 29 NOVEMBER 2016 (UNLESS OTHERWISE EXTENDED).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for New Shares in Nido. Please read both documents carefully and in their entirety.

This Offer Booklet is not a prospectus under the *Corporations Act 2001 (Cth)* (***Corporations Act***) and has not been lodged with the Australian Securities and Investments Commission (***ASIC***).

Please consult your stockbroker, accountant or other independent professional adviser if you have any questions in relation to the Entitlement Offer.

IMPORTANT NOTICES¹

Defined terms used in this Offer Booklet and the Entitlement and Acceptance Form are defined in the Glossary at the end of this Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

This Offer Booklet and the Entitlement and Acceptance Form have been prepared by Nido. **This Offer Booklet and the Entitlement and Acceptance Form are important and require your immediate attention.** You should read these documents carefully and in their entirety before deciding whether or not to participate in the Entitlement Offer.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (A\$).

Time and date

Unless otherwise specified, all references to time in this Offer Booklet and the Entitlement and Acceptance Form are references to Australian Eastern Daylight Time, and all references to dates are to dates calculated in accordance with Australian Eastern Daylight Time. That is, such references will be to the time and date in Sydney, New South Wales, Australia.

Future performance and forward looking statements

This Offer Booklet contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'predict', 'plan', 'will', 'believe', 'forecast', 'estimate', 'target', and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of the proceeds.

The forward looking statements contained in this Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Nido, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Please refer to section 7 of this Offer Booklet for a summary of certain general and Nido specific risk factors that may affect Nido. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Nido as at the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Nido undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Investment Decisions

The information in this Offer Booklet is general information only, does not constitute a securities recommendation or financial product advice, and has been prepared without taking into account the investment objectives, financial situation, taxation position or particular needs of any person. This Offer Booklet and the Entitlement and Acceptance Form should be read in conjunction with Nido's other periodic and continuous disclosure announcements to the ASX available at www.nido.com.au.

There are a number of risk factors that could potentially impact Nido. For information about these risks, please read section 7 of this Offer Booklet. The potential tax effects of the Entitlement Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser before deciding whether or not to participate in the Entitlement Offer. All investors should consult with their stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

Not a prospectus

Neither this Offer Booklet nor the Entitlement and Acceptance Form is a prospectus or product disclosure statement for the purposes of the Corporations Act. Accordingly, these documents do not contain all of the information which a prospective investor may require to make an investment decision. They do not and are not required to contain all of the information which would otherwise be required to be disclosed in a prospectus or product disclosure statement. They are not required to be, and will not be, lodged with ASIC.

U.S. investors

This Offer Booklet (including the accompanying ASX Entitlement Offer Announcement and Investor Presentation) and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'U.S. person' under the Securities Act. The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

¹ Please read the Investor Presentation attached to this Offer Booklet for other important notices, disclaimers and acknowledgements.

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1 CORPORATE DIRECTORY

Directors

William Bloking

Non-Executive Chairman

Michael Fischer

Managing Director

Andrew Edwards

Non-Executive Director

Chaiwat Kovavisarach

Non-Executive Director

Krairit Nilkuha

Non-Executive Director

Vichien Usanachote

Non-Executive Director

Company Secretary

John Newman

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Allens

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Broker and Ineligible Foreign Shareholder Nominee

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Facsimile: +61 8 9268 2800

Auditors

KPMG

235 St Georges Terrace

PERTH WA 6000

Telephone: +61 8 9263 7171

Facsimile: +61 8 9263 7129

Securities Exchange Listing

The Company's securities are listed on the official list of ASX Limited.

ASX Code

Shares: NDO

2 CHAIRMAN'S LETTER

21 October 2016

Dear Shareholder,

Renounceable Pro Rata Entitlement Offer

On behalf of the Board of Nido Petroleum Limited (**Nido**), I am pleased to invite you to participate in this 11.2 for 1 pro-rata renounceable entitlement offer of new fully paid ordinary shares in Nido (**New Shares**) at an issue price of \$0.065 per share (**Entitlement Offer**) to raise up to \$31.9 million (before costs) (the **New Funds**).

The New Funds will be used to finance Nido's participating interest share of the Galoc-7 appraisal well and, if required, an associated side-track (**Galoc-7/7ST**).

Galoc-7/7ST will appraise the currently untested 'Galoc Mid Area' (**GMA**) and, if successful, the subsequent development of the GMA will materially increase reserves and production, substantially extending the life of the Galoc Field.

The New Funds may also provide additional contingency for unbudgeted cost overruns associated with Galoc-7/7ST and, in the event this contingency is not required, a small amount of working capital for post well analysis and, in the case of appraisal success, development planning.

The Issue Price represents a 13.3% discount to the closing price of the Shares on 18 October 2016 (the last trading day before the Entitlement Offer was announced).

The Entitlements are renounceable and may be traded on the ASX (if a market exists). A top-up facility will also be made available to Eligible Shareholders to enable them to apply for Additional Shares in excess of their Entitlement.

Nido's largest Shareholder, BCP Energy International Pte Ltd (**BCPE**), has provided a commitment that it will take up its Entitlement under the Entitlement Offer in full (the **Commitment**).² The Commitment from BCPE is a strong endorsement of the Entitlement Offer and Nido's strategy for future growth.

There is no minimum amount required to be raised under this Entitlement Offer, but the Commitment from BCPE ensures that at least 81.25% of the New Funds will be raised. If no other Entitlements are taken up, Nido will raise approximately \$25.9 million (before costs) from BCPE's take up. This is expected to provide sufficient funds to finance Nido's participating interest share of Galoc-7/7ST and pay the Entitlement Offer costs.

Purpose of this booklet

This Offer Booklet and the enclosed personalised Entitlement and Acceptance Form contain important information about the Entitlement Offer and I encourage you to read them carefully and in their entirety before deciding whether or not to participate in the Entitlement Offer.

The Offer closes at 5pm (AEDT) on 29 November 2016. To participate, you need to ensure that your application and payment is received by Nido by this time.

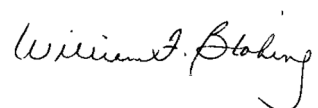
If you have any questions in relation to the Entitlement Offer, you should consult your stockbroker, accountant or other independent professional adviser.

² The terms of the Commitment are summarised in section 3.12 of this Offer Booklet.

If you have any questions in relation to how to complete the Entitlement and Acceptance Form, please call the Share Registry, Monday to Friday, 8.30am - 5pm (AEDT time) on 1300 850 505 toll free (within Australia) or +61 3 9415 4000 (outside Australia).

On behalf of the Nido Board, I thank you for your ongoing support of our company and commend this Entitlement Offer to you.

Yours sincerely

A handwritten signature in black ink, reading "William I. Bloking". The signature is written in a cursive style with a prominent loop at the end of the last name.

William Bloking
Chairman
Nido Petroleum Limited

3 FREQUENTLY ASKED QUESTIONS

As an aid to Shareholders, this Q&A sheet addresses questions that may arise in relation to Galoc-7/7ST and the Entitlement Offer.

3.1 What is the rationale for Galoc-7/7ST?

The need to undertake, and the rationale for, Galoc-7/7ST has been the subject of ongoing market disclosure by Nido for some time.

Production at the Galoc Field is currently declining and based on Nido's proven reserve estimates and economic forecasts is anticipated to reach a commercial cut-off and become cash negative in 2019, after which production will be sub-commercial, and this may precipitate a decision to abandon the field. If that occurs, the Floating Production Storage and Offloading (**FPSO**) facility and associated infrastructure will be decommissioned. This will limit further opportunity for additional development of the Galoc Field.

Once the Galoc Field is abandoned, the incremental volumes in the GMA which the Galoc Joint Venture (**Galoc JV**) is seeking to target through Galoc-7/7ST would not currently support a stand-alone development. These volumes are only likely to be commercially attractive if developed in the context of the existing infrastructure in the Galoc Field. In other words, if this Galoc JV infrastructure were abandoned, there is a real prospect that the Galoc JV will not seek to develop these resources on their own at a later date due to the cost in doing so.

See section 7.2 for further details regarding the risk of not proceeding with Galoc-7/7ST.

3.2 Does Galoc-7/7ST require approval of the Galoc JV Partners to proceed?

The decision to proceed with Galoc-7/7ST is a matter for the Galoc JV Partners, and not for Nido alone. Under the Galoc JV agreement, the decision to proceed with Galoc-7/7ST requires a positive vote by Galoc JV Partners holding at least 70% of the participating interests. This means that Nido cannot decide on its own to proceed with Galoc-7/7ST.

As at the date of this Offer Booklet, Galoc JV Partners with the requisite percentage of participating interests have voted to approve the decision to proceed with Galoc-7/7ST.

3.3 Why does Nido need to raise its proportion of the funding cost of Galoc-7/7ST now?

In order to potentially unlock further reserves and production through Galoc-7/7ST and subsequent development of the Galoc Field (Phase III), decisions need to be made imminently to enable Galoc-7/7ST to occur in Q1, 2017. This is because Galoc-7/7ST will take 6-9 months to execute from the date of Galoc JV Partner approval, and if Galoc-7/7ST is successful, the subsequent development which will follow will take 12-18 months to execute following post appraisal activity and a FID decision.

A brief overview of the timeline is set out below which demonstrates the sequencing of decisions and timings that Nido is working towards.

2016				2017				2018				2019			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			Rig Tendering	Galoc-7/7ST	Phase III Design		Tendering, Procurement and Construction				1st Oil				
								Phase III Investment Decision				1P Economic Life			

The timeline contemplates appraisal drilling in Q1, 2017 with subsequent post well analysis and Phase III design work being completed by the end of Q3, 2017 with Phase III development project execution then leading to first oil in Q1, 2019.

These constraints therefore impose a time 'window' on the appraisal and development of the GMA.

3.4 What are the possible outcomes of Galoc-7/7ST and do they change the amount of funding Nido requires? What if Galoc-7/7ST is very successful?

The Galoc-7/7ST involves an initial semi-vertical well to assess the reservoir quality and hydrocarbon content in the GMA and potential side-track well. If the initial well reveals a high reservoir quality and hydrocarbon volume then the potential side-track well will not be drilled. This will result in funds allocated for the potential side-track well being spent on Phase III planning and development.

In the event the initial semi-vertical well does not demonstrate sufficient hydrocarbon volumes, then the incremental cost of the side-track has been included as part of the approved Galoc JV budget for Galoc-7/7ST. The budgeted cost of the side track is fully funded by the Entitlement Offer.

Further, in the event that Galoc-7/7ST fails to demonstrate commercial hydrocarbon volumes then the Phase III planning will cease and production from the current facilities will be optimised for the remainder of the commercial field life.

See the Investor Presentation accompanying this Offer Booklet for further details regarding Galoc-7/7ST and the use of funds raised.

3.5 Why is Nido proposing to raise its proportion of the funding cost of Galoc-7/7ST via a pro rata entitlement offer?

Nido had expected to fund its portion of the costs of Galoc-7/7ST from cash flow from the existing Galoc Field production. However, the deterioration in the oil price has meant that Nido does not have the cash reserves to fund Galoc-7/7ST without seeking additional capital. Nido considered various funding options, however, the Board decided the only reasonably available means to raise Nido's proportion of the funding cost of Galoc-7/7ST is via a pro rata entitlement offer. See section 8.2 for further details regarding consideration of the various funding options.

3.6 What are the risks for shareholders?

Some key risks regarding the Entitlement Offer and an investment in Nido are set out in section 7.

3.7 What is Nido's current financial position?

Nido recently released its quarterly report for Q3, 2016 on the ASX. This report and the Company's half year financial report are available on Nido's website and the ASX website.

3.8 What is the effect of the Entitlement Offer on Nido's Financial Position?

To illustrate the effect of the Entitlement Offer on Nido, the Investor Presentation accompanying this Offer Booklet includes a pro-forma balance sheet as at 30 September 2016.

3.9 How will Nido's capital structure be affected by the Entitlement Offer?

The Investor Presentation accompanying this Offer Booklet includes details regarding the effect of the Entitlement Offer on Nido's capital structure.

3.10 Will the Entitlement Offer affect control of Nido?

There is a real potential for the Entitlement Offer to affect control of Nido and for Nido's major Shareholder, BCPE, to increase its voting power in Nido from its current position. The extent of the increase will depend on the level of take up of entitlements by other Shareholders. The Board considers there is a very real (and, indeed, likely) prospect that BCPE's voting power will increase beyond 90%. If that happens, then BCPE will be entitled (but not obliged) to exercise its compulsory acquisition rights under the Corporations Act. See sections 8.2 to 8.4 for further details regarding the effect of the Entitlement Offer on the control of Nido, BCPE's intentions and the compulsory acquisition process.

3.11 Why is the Board proposing an entitlement offer that is likely to increase BCPE's control of Nido?

Throughout the assessment of the various options to fund Nido's participating share of the costs of the appraisal well, the Board has been highly cognisant of the potential control impacts arising from an entitlement offer. In this context the Board tasked its Related Party and Conflicts Committee (the **Committee**), which is constituted by a majority of independent Non-Executive Directors and which the BCPE nominated directors are not members of, with the responsibility of independently assessing the various funding options. This was intended to ensure that the entitlement offer was not proposed for the purpose of achieving a change in BCPE's control. The Committee considered a range of possible funding options and obtained independent legal and financial advice. In this context the Committee determined that the only reasonably available funding option was an entitlement offer. This being the case, the Committee recommended the entitlement offer, despite the potential control impact.

3.12 What are the terms of BCPE's Commitment?

BCPE's Commitment is to take up its Entitlement under the Entitlement Offer in full.

The Commitment is irrevocable.

A condition of the Commitment is that Nido will not (without the consent of BCPE), for a period of 180 days from 7 October 2016, issue or agree to issue any shares, options or other securities convertible into shares, other than in limited circumstances (including as contemplated under this Entitlement Offer).

The Commitment will lapse if:

- (a) this Entitlement Offer is not completed within 60 days of the date on which the Entitlement Offer is announced unless:
 - (i) BCPE provides its prior written consent to extend this period;
 - (ii) required by any applicable regulatory intervention; or
 - (iii) the Board of Nido resolves to extend the date for completion by up to 30 days;
- (b) in any event, the Entitlement Offer is not completed within 180 days of 7 October 2016 (unless BCPE provides its prior written consent to extend this period); or
- (c) this Entitlement Offer is withdrawn for any reason.

3.13 What if I object to the control impact of the Entitlement Offer?

If all Shareholders take up their entitlements, there will be no control impact. However, given the size of the capital raising relative to the Company's market capitalisation, there is a real prospect of a material increase in the voting power of BCPE. If a Shareholder objects to this outcome, the

Shareholder has certain rights under the Corporations Act to apply to the Takeovers Panel to seek a declaration of "unacceptable circumstances" in connection with the Company. If a Shareholder wishes to pursue this course of action, the Shareholder should seek independent legal advice.

3.14 What options are available to me?

Details on the options available to Shareholders and how to apply are set out in section 6.

3.15 What if I have questions about the Entitlement Offer?

If you have any questions in relation to the Entitlement Offer, you should consult your stockbroker, accountant or other independent professional adviser.

If you have any questions in relation to how to complete the Entitlement and Acceptance Form, please call the Share Registry, Monday to Friday, 8.30am - 5pm (AEDT time) on 1300 850 505 toll free (within Australia) or +61 3 9415 4000 (outside Australia).

4 KEY DATES

Event	Date
Announcement of the Entitlement Offer	Friday, 21 October 2016
Despatch notice to Shareholders	Monday, 24 October 2016
Ex date and Entitlement trading commences	Wednesday, 26 October 2016
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Entitlement Offer closing date (5pm)	Tuesday, 29 November 2016
Nido notifies ASX of under subscriptions	Friday, 2 December 2016
Shortfall allocations completed	Friday, 2 December 2016
Issue New Shares issued under the Entitlement Offer	Tuesday, 6 December 2016
Trading of New Shares on a normal settlement basis	Wednesday, 7 December 2016
Despatch of holding statements for New Shares	Friday, 9 December 2016

All times and dates above refer to Australian Eastern Daylight Time (AEDT).

Dates and times are indicative only and subject to change without notice.

The commencement of quotation of New Shares is subject to confirmation from the ASX.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, Nido reserves the right to vary any or all of these dates and times, including extending the Entitlement Offer Period or accepting late Applications (either generally or in particular cases), without notice.

If you decide to make an Application, you are encouraged to submit your Entitlement and Acceptance Form and Application Monies or separately pay your Application Monies via BPAY® as soon as possible after the Entitlement Offer opens.

You cannot withdraw your Application once it has been accepted.

No cooling off rights apply to the Entitlement Offer.

5 DETAILS OF THE ENTITLEMENT OFFER

5.1 Overview

Under the Entitlement Offer, Nido is offering Eligible Shareholders the opportunity to subscribe for 11.2 New Shares for every 1 Share held at 7pm (AEDT) on 27 October 2016, at the Issue Price of \$0.065 per New Share, to raise up to \$31.9 million (before costs).

Details on how to take up your Entitlement are contained in section 6 and the enclosed personalised Entitlement and Acceptance Form. You may take up some, all or none of your Entitlement. Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is only open to Eligible Shareholders (see section 6.1 for the definition of an Eligible Shareholder), and Nido reserves the right to reject any Application that it believes comes from a person that is not an Eligible Shareholder.

The Entitlement Offer closes at 5pm (AEDT) on 29 November 2016 (subject to variation), with New Shares expected to be issued on 6 December 2016.

Please refer to the ASX Entitlement Offer Announcement and the Investor Presentation accompanying this Offer Booklet for further information on the purpose of the Entitlement Offer and the application of the proceeds of the Entitlement. You should also consider other publicly available information about Nido, including information available at www.nido.com.au and www.asx.com.au.

5.2 Renounceable

Your Entitlement to participate in the Entitlement Offer is renounceable and therefore is tradeable on the ASX (if a market exists for the Entitlements, which is not guaranteed) or otherwise transferable.

Eligible Shareholders who do not take up their Entitlement in full can sell or transfer all or part of their Entitlement (if a market exists). Brokerage or transfer fees are likely to be payable.

The assignment, transfer and exercise of Entitlements under the Entitlement Offer is restricted to persons meeting the eligibility criteria for an Eligible Shareholder. If holders of Entitlements at the end of the trading period do not meet the eligibility criteria in section 6.1, they will not be able to exercise the Entitlements and, as a result, they may receive no value for them.

5.3 No Minimum Amount

The Entitlement Offer does not have a minimum amount to be raised. The Commitment from BCPE means that it will take up its Entitlement in full. This ensures Nido will raise at least 81.25% of the funds to be raised under this Entitlement Offer. If no other Entitlements are taken up, Nido will raise approximately \$25.9 million (before costs) from BCPE's take up. This is expected to provide sufficient funds to finance Nido's participating interest share of Galoc-7/7ST and the Entitlement Offer costs.

5.4 Underwriting

The Entitlement Offer is not underwritten. Nido considered engaging a third party underwriter (ie, a party other than BCPE or Bangchak) to diminish the potential effect of the Entitlement Offer on the control of Nido (see section 8.2 for a detailed description). However, a third party underwriter was only willing to enter into an underwriting agreement if Bangchak agreed to be a sub-underwriter. As such, an underwriting commitment would have offered no benefits in terms of the control impacts of the Entitlement Offer. Indeed, a sub-underwriting arrangement with BCPE or Bangchak would potentially exacerbate the control effect of the Entitlement Offer.

Therefore, underwriting would provide minimal utility from a control perspective. Moreover, an underwriting would add a significant cost to the Entitlement Offer, without adding significant benefit. For this reason, Nido decided not to proceed with an underwriting of the Entitlement Offer.

5.5 Top Up Facility

Eligible Shareholders may, in addition to taking up their Entitlement in full, apply for Additional Shares in excess of their Entitlement. Additional Shares will only be available where there is a Shortfall.

BCPE has informed Nido that it does not intend to apply for any top-up under the Offer.

The terms on which Eligible Shareholders will be able to apply for Additional Shares are as follows.

- Eligible Shareholders who have applied for their full Entitlement of New Shares under the Entitlement Offer will be entitled to apply for Additional Shares in excess of their Entitlement under the Entitlement Offer.
- The offer of Additional Shares commences on the same date as the Entitlement Offer (ie, the Opening Date) and will remain open until the Closing Date. Applications for Additional Shares must be made in accordance with the instructions set out in section 6.5.
- Additional Shares will be offered at the Issue Price of \$0.065 per Additional Share.
- There is no maximum number of Additional Shares for which an Eligible Shareholder may apply. However, the maximum number of Additional Shares that may be issued will be equal to the number of New Shares comprising the Shortfall.
- Where the number of New Shares comprising the Shortfall is equal to or greater than the total number of Additional Shares applied for, each Eligible Shareholder who applies for Additional Shares will be issued the number of Additional Shares they applied for.
- Where the number of New Shares comprising the Shortfall is less than the total number of Additional Shares applied for, the number of Additional Shares to be allocated to Eligible Shareholders will be scaled back on a pro rata basis.

All decisions regarding the allocation of Additional Shares and application of any scale-back will be made by the Board in its discretion and will be final and binding on all Eligible Shareholders. The directors expect that the discretion not to issue Additional Shares under the Top Up Facility would only be exercised in exceptional circumstances.

The directors of Nido reserve the right to issue any Additional Shares which comprise the Shortfall in their discretion. Therefore, an Application for Additional Shares may not be successful (in whole or part), in which case excess Application Monies will be refunded without interest as detailed in section 6.8. The decision of Nido on the number of Additional Shares to be allocated will be final.

5.6 Shortfall Facility

As the Entitlement Offer is renounceable, if the Shortfall is not satisfied by receipt of valid applications for Additional Shares, the shortfall between Applications received from Eligible Shareholders (including any applications for Additional Shares) and the aggregate number of New Shares proposed to be issued under the Entitlement Offer is intended to be offered for sale to new shareholders under a shortfall facility, subject to market demand. If an offer is made under a shortfall facility, the New Shares will be offered at a price per New Share that is no less than the Issue Price of \$0.065.

Any proceeds of sale in excess of the Issue Price (net of withholding tax) will be paid to renouncing Shareholders. However, the ability to sell under a shortfall facility and obtain a clearing price through a shortfall facility that exceeds the Issue Price will be dependent on a number of factors, including market conditions, and no guarantee can be given that a price in excess of the Issue Price will be achieved and no guarantee of any price at all.

The directors of Nido reserve the right to offer or issue New Shares under a shortfall facility at their discretion. The directors expect that the discretion not to issue New Shares under the shortfall facility would only be exercised in exceptional circumstances, such as where the identity of the proposed new shareholder was considered by the directors to be unacceptable.

BCPE has informed Nido that it does not intend to apply for any shortfall under the Offer.

5.7 Any Share Issue Must be Lawful

No New Shares will be issued to any person in relation to or in any way connected with this Entitlement Offer if to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other law.

5.8 Ranking of New Shares

New Shares will be issued on a fully paid basis and will rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Nido's constitution, a copy of which is available at www.nido.com.au.

5.9 Quotation of New Shares

Nido has applied to the ASX for the official quotation of the New Shares in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Entitlement Offer will commence on 7 December 2016.

Nido will have no responsibility and disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the official list of the ASX.

5.10 Confirmation Statements

Confirmation statements in respect of New Shares allotted under the Entitlement Offer are expected to be despatched to Eligible Shareholders on 9 December 2016.

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk. Nido disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmation statement, whether on the basis of confirmation of the allocation provided by Nido or the Share Registry.

5.11 Withdrawal of the Entitlement Offer

Nido reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Nido will refund any Application Monies in the manner contemplated by section 6.8.

5.12 Enquiries

If you have any questions in relation to the Entitlement Offer, you should consult your stockbroker, accountant or other independent professional adviser.

If you have any questions in relation to how to complete the Entitlement and Acceptance Form, please call the Share Registry, Monday to Friday, 8.30am - 5pm (AEDT time) on 1300 850 505 toll free (within Australia) or +61 3 9415 4000 (outside Australia).

6 HOW TO APPLY

6.1 Eligible Shareholders

The Entitlement Offer is only available to Eligible Shareholders.

An Eligible Shareholder is a person:³

- who is registered as a holder of Shares on the Record Date (being 7pm (AEDT) on 27 October 2016;
- whose registered address on the Nido register of members is in Australia, New Zealand, Singapore, Switzerland or Hong Kong;
- who is not in the United States and is neither a U.S. Person nor acting for the account or benefit of a U.S. Person; and
- who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement.

The Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons. Accordingly, Shareholders (including nominees) who hold Shares on behalf of persons in the United States or that are U.S. Persons cannot take up their Entitlements or subscribe for New Shares on behalf of such persons, and may not send to such persons this Offer Booklet or any other documents relating to the Entitlement Offer.

6.2 Ineligible Shareholders

Shareholders who do not satisfy the criteria set out in section 6.1 above are not eligible to participate in the Entitlement Offer (Ineligible Shareholders).

Nido has decided that it is unreasonable to make offers under the Entitlement Offer to holders of Shares who have registered addresses outside Australia, New Zealand, Singapore, Switzerland and Hong Kong, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

Nido has appointed the Nominee as a nominee for Ineligible Shareholders. The Nominee's appointment has been approved by ASIC in accordance with section 615 of the Corporations Act. The Nominee will work with Nido to sell the Entitlements of Ineligible Shareholders and distribute any proceeds of sale (net of expenses and of any withholding required by law) proportionately to the Ineligible Shareholders.

The ability to sell Entitlements on ASX, and the price at which Entitlements can be sold, will depend on various factors, including market conditions. To the maximum extent permitted by law, neither Nido nor the Nominee, nor their respective related bodies corporate, nor the directors, officers, employees, agents or advisers of any of them, will be liable for a failure to sell Entitlements at any particular price.

The Nominee has entered into a sub-underwriting agreement with Bouchi Pty Ltd (ACN 051 698 401) (*Bouchi*), a client of the Nominee, with respect to the sale of Entitlements of Ineligible Shareholders. In the event there is no market for the sale of the Entitlements on ASX, the Nominee intends to sell the Entitlements to Bouchi for nominal consideration.

³ Person includes both a natural person or body corporate.

The sale of Entitlements will be made through the ASX, in the normal course of trading, and will be effected at the prevailing market price. If there is no market for some or all of the Entitlements on the ASX, the Nominee will sell unsold Entitlements off-market for nominal consideration. The net proceeds of these sales, after deducting all reasonable costs associated with the sale, will be provided to Nido for the benefit of Ineligible Shareholders. Nido will distribute those net proceeds of sale to Ineligible Shareholders on a pro rata basis. Each Ineligible Shareholder will receive the average price of the Entitlements sold on behalf of the Ineligible Shareholders during the Entitlement Trading Period.

Any amounts to be distributed to Ineligible Shareholders are expected to be despatched on or about 7 December 2016.

6.3 Notice to nominees and custodians

The Entitlement Offer is being made to all Eligible Shareholders.

Nominees with a registered address in Australia, New Zealand, Singapore, Switzerland and Hong Kong may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians which hold Shares as nominees and custodians will have received, or will shortly receive, a letter from Nido. Nominees and custodians should carefully consider the contents of that letter and note in particular that the Entitlement Offer is not available to beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder.

Nido is not required to determine whether or not any registered holder of Shares is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any registered holder of Shares is acting as a nominee for a foreign person that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nido is not able to advise on foreign laws. Any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. Person with a holding through a nominee may not participate in the Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any materials relating to the Entitlement Offer into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

6.4 Choices Available to Eligible Shareholders

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (refer to section 6.5);
- take up all of your Entitlement and apply for Additional Shares through the Top Up Facility (refer to section 6.5);
- sell part or all of your Entitlement (refer to section 6.6); or
- do nothing (refer to section 6.7).

Participation in the Entitlement Offer is entirely optional (subject to the eligibility criteria set out above). The offer to acquire New Shares is not a recommendation.

6.5 Accepting the Entitlement Offer

If you wish to take up your Entitlement in full or in part, there are two different ways you can submit your Application and Application Monies.

(a) Payment by cheque, bank draft or money order

Submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order for all Application Monies. To apply and pay by cheque, bank draft or money order, you should:

- (i) read this Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- (ii) complete the personalised Entitlement and Acceptance Form accompanying this Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Shares and any Additional Shares you wish to apply for; and
- (iii) return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - (A) for an amount equal to the full Application Monies (being the Issue Price of \$0.065 per share multiplied by the number of New Shares, including any Additional Shares, that you are entitled to and applying for);
 - (B) in Australian currency drawn on an Australian branch of a financial institution; and
 - (C) made payable to 'Nido Petroleum Limited' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in any relevant account(s) to cover the full Application Monies.

Cash payments will not be accepted.

Receipts for payment will not be issued.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reach the Share Registry by 5pm (AEDT) on the Closing Date, being 29 November 2016, at the following address:

Nido Petroleum Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Closing Date and no New Shares or Additional Shares will be issued to you in respect of that Application (and your Application Monies submitted will be refunded as soon as practicable without interest), unless Nido decides to accept late Applications (either generally or in particular cases), without notice.

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Nido's registered or corporate offices, or at other addresses of the Share Registry.

For the convenience of Eligible Shareholders, an Australian reply paid envelope addressed to the Share Registry has been enclosed with this Offer Booklet.

Note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If the amount of Application Monies received is insufficient to pay in full for the number of New Shares you applied for, Nido will treat you as applying for such lower whole number of New Shares as is covered in full by your Application Monies received or, alternatively, your Application will not be accepted.

If the amount of Application Monies received is greater than the number of New Shares or Additional Shares that you indicate on your Entitlement and Acceptance Form that you wish to apply for, Nido will treat you as applying for such whole number of New Shares as is covered in full by your Application Monies up to your Entitlement.

Any Application Monies received in excess of your final allocation of New Shares will be refunded (without interest).

(b) Payment via BPAY®

To apply and pay via BPAY®, you should:

- (i) read this Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- (ii) make your payment of the amount of the full Application Monies via BPAY® for the number of New Shares and any Additional Shares you wish to apply for (being the Issue Price of \$0.065 per New Share multiplied by the number of New Shares, including Additional Shares, that you are entitled to and applying for).

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. In making your BPAY® payment, you will need to refer to the specific Biller Code and your unique BPAY® Customer Reference Number (**CRN**) set out on your personalised Entitlement and Acceptance Form.

If you choose to pay via BPAY®, you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and declarations set out in section 9.

You will need to ensure that your payment of the Application Monies is received by 5pm (AEDT) on the Closing Date, being 29 November 2016. Your payment of the Application Monies will not be accepted if it is received after the Closing Date and no New Shares will be issued to you in respect of that Application and your Application Monies submitted will be refunded (without interest).

You should be aware that your financial institution may implement earlier cut-off times for electronic payment and you should take this into consideration when making your payment. Please note that the maximum amount that can be received by BPAY® is \$1 million. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

If you have multiple holdings you will have multiple BPAY® CRNs provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the CRN shown on each personalised Entitlement and Acceptance Form when paying for any New Shares, including any Additional Shares that you wish to apply for in respect of those holdings.

Nido will treat you as applying for such whole number of New Shares as your BPAY® payment will pay for up to your Entitlement. Any Application Monies received in excess of your final allocation of New Shares will be refunded (without interest).

6.6 Selling your Entitlement

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form.

You should allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage costs if you choose to sell your Entitlement on ASX.

There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

6.7 Do Nothing

If you are an Eligible Shareholder and you do nothing, or accept only part of your Entitlement, the New Shares attributable to your Entitlement that you do not take up (ie, the Shortfall in respect of your Entitlement) will first be offered for sale under the Top Up Facility and, if not taken up under the Top Up Facility, are intended to be offered for sale under a Shortfall Facility, subject to market demand (refer to section 5.6).

6.8 Application Monies

Application Monies will be held by Nido for the benefit of applicants until the New Shares (including Additional Shares) are issued or, if the New Shares are not issued, until the Application Monies are returned to the applicants.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Nido and will be retained by Nido whether or not the allotment and issue of the New Shares takes place.

If the New Shares are not issued, all Application Monies will be refunded as soon as practicable, without interest, and Entitlements will cease to have any value.

6.9 Implications of Making an Application

By returning a completed Entitlement and Acceptance Form, or paying any Application Monies for New Shares via BPAY®, you will be deemed to have made the Eligible Shareholder declarations set out in section 9.

6.10 No withdrawal or cooling off rights

You cannot withdraw your Application once it has been lodged.

No cooling off rights apply to an investment in New Shares.

7 KEY RISKS

Eligible Shareholders should be aware that there are a number of risks which may affect Nido, including risks associated with:

- (a) the outcome of the Entitlement Offer itself;
- (b) Galoc-7/7ST;
- (c) Nido's business;
- (d) Nido's Share price;
- (e) the regions in which Nido operates; and
- (f) the oil and gas industry more generally.

Nido's primary business is exploration for and production of oil and gas. These activities carry significant risks, some of which can be adequately mitigated by the use of safeguards (eg, insurance) and appropriate systems (eg, safe work procedures), but many of which are beyond the control of Nido and its Directors. As such, certain risks cannot be mitigated.

Some key risks you should consider when considering the Entitlement Offer and an investment in Nido are set out below. These risks are not listed in order of importance, and do not necessarily constitute an exhaustive list of all risks involved with an investment in Nido.

7.2 Early Shut-In Risk

The rationale for Galoc-7/7ST and the early shut-in risk is discussed in section 3.1. The Board considers that Galoc-7/7ST is required in order to support the ongoing longer term viability of the Galoc Field. The Galoc Field is the only material cash generating asset held by Nido and is crucial to Nido's financial performance. Consequently, it is critical for Nido's long term viability.

7.3 Shortfall Funding Risk

Nido has received the Commitment from BCPE that it will take up its Entitlement in full. This will ensure that Nido raises at least approximately \$25.9 million (before costs) by way of the Entitlement Offer. Nido estimates that this amount will be sufficient to finance Nido's participating interest share of Galoc-7/7ST and pay the Entitlement Offer costs. This amount will not however provide additional contingency for unbudgeted cost overruns associated with Galoc-7/7ST.

Should a shortfall arise and Nido requires additional contingency for unbudgeted cost overruns, Nido expects that it will be able to fund these cost overruns through a combination of its cash reserves and by calling upon its current revolving term loan facility for up to US\$120 million with Bangchak (the **Facility Agreement**). The primary purpose of the Facility Agreement is to fund the acquisition of oil and gas assets approved by Bangchak – the costs of the Galoc-7/7ST are not costs for which Nido could draw down on the full amount of the undrawn balance of this facility. However, the Facility Agreement also provides Nido with additional financial support up to a cumulative cap of US\$4 million by way of funding support to meet contractual commitments subject to certain conditions being met.

If however Nido were faced with extreme cost overruns which it was unable to fund, Nido's financial viability may be threatened.

7.4 Sub-Surface Risk

The commercial viability of oil and gas discoveries is dependent upon a number of factors, including the size of the discovery. Due to geological uncertainty, there is no assurance that Galoc-7/7ST will prove sufficient volumes to support a Phase III development.

7.5 Operations, Drilling and Development Risk

Operations, drilling and development activities involve a degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.

Nido's current operations, Galoc-7/7ST as well as any subsequent development of the GMA may be affected by a range of factors, including (but not limited to):

- (a) Adverse weather conditions over a prolonged period which might adversely affect activities.
- (b) Operational and technical difficulties.
- (c) Inability for whatever reason to secure and maintain title to permits and comply with the terms of those permits.
- (d) Failure to obtain or maintain all consents and approvals.
- (e) Failure to design and construct Galoc-7/7ST and any subsequent development within capital expenditure budgets.
- (f) Difficulties in commissioning and execution of drilling and development activities.
- (g) Mechanical failure or breakdown of operating plant and equipment.
- (h) Industrial and environmental accidents, industrial disputes, or other force majeure events.
- (i) Unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.
- (j) Limited access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Some of these risks are discussed in more detail below.

7.6 Production Interruption Risk

The Galoc Field subsea wells are tied back to a floating production, storage and offtake vessel.

Maintaining production uptime at the Galoc Field is critical to the financial position of Nido. For the half-year ended 30 June 2016, revenue from crude oil sales relating to the Galoc Field totalled US\$14.6 million and accounted for approximately 97.5% of Nido's revenue. However, there is always a risk of production interruption.

A material interruption in production due to unplanned operational issues could result in a material decrease in revenue and cash flow. A catastrophic event on the Galoc Field production facility would result in a sustained loss of production and could put the financial future of Nido in doubt.

7.7 Oil Price Risk

Nido's revenue and cash flow position, and the viability of Galoc-7/7ST and any future development of the GMA, are directly related to the market price of oil. Global oil prices fluctuate widely and are affected by numerous factors beyond Nido's control, such as global supply and demand, inflation, exchange rates and geo-political situations.

A material fall in the oil price would place a significant strain on Nido's revenue and cash flow, and would likely undermine the viability of Galoc-7/7ST and any development of the GMA. A significant deterioration in the oil price would reduce the cash flow from the Galoc Field which could threaten the financial viability of Nido.

7.8 Existing Debt Levels

The Facility Agreement currently has a drawn amount of US\$78.2 million. Nido's ability to service its drawings under the Facility Agreement and other obligations depends on the future performance and cash flow of its business which is subject to many of the risks noted in this section 7, many of which are beyond Nido's control.

Nido's historical financial results have been (and it is anticipated that Nido's future financial results will continue to be) subject to fluctuations as a result of these factors. Cash flows can vary and Nido's business may not generate sufficient cash flow to enable it to satisfy its obligations under the Facility Agreement or its other obligations.

An inability to service the Facility Agreement (or to further refinance or renegotiate the Facility Agreement on acceptable terms if necessary) may have a material adverse effect on Nido's financial performance and prospects.

7.9 Expiry of Galoc Field Tenure

Nido's Galoc Field tenure expires on 17 December 2025. If Galoc-7/7ST proves sufficient volumes to support a Phase III development, it is possible that the Galoc Field commercial life will extend until 2027. In this circumstance, if Nido wished to continue producing from the Galoc Field, Nido would need the Philippines' Department of Energy (the **DOE**) to grant an extension of the Galoc Field tenure. Service Contract 14 does not however provide a right to a further extension and any extension would therefore need to be negotiated with the Philippine Government through the DOE.

There is therefore no assurance that an extension will be granted to Nido. If the DOE refuses to grant an extension, Nido would be required to abandon the Galoc Field while it remained commercially viable. If the DOE granted an extension, but subject to certain conditions, the conditions imposed on Nido may materially affect the commercial viability of the Galoc Field.

7.10 Interest Rate Risk

Nido is subject to the risk of rising interest rates associated with borrowing on a floating rate basis. In particular, the interest rate under the Facility Agreement is 6% plus the London Interbank Offered Rate (**LIBOR**). This means that if the LIBOR increases, Nido's borrowing costs under the Facility Agreement will increase.

Nido does not, but may seek to, manage all or part of its exposure to adverse fluctuations in floating interest rates through interest rate hedging arrangements. To the extent that Nido does not hedge (or does not hedge effectively) against movements in interest rates, such interest rate movements may adversely affect Nido's results.

7.11 BCPE Control Risk

BCPE currently controls Nido through its ownership of 81.25% of the Shares. As BCPE has given the Commitment that it will take up its Entitlement in full, BCPE's control interest can only stay the same or increase as a result of the Entitlement Offer.

BCPE's control of Nido enables BCPE to determine the composition of the Board, along with Nido's management and dividend policy. It also enables BCPE to determine the strategic direction of Nido's business, and that of Nido's subsidiaries, including Galoc Production Company W.L.L. (**GPC**). GPC is a company registered under the laws of Bahrain, and a direct wholly-owned subsidiary of Nido, and holds 33% of Nido's working interest in the Galoc Field. GPC is also the operator of the Galoc Field. Further, because BCPE holds more than 75% of Nido's ordinary shares, BCPE is able to pass a special resolution. This means that BCPE is able to amend Nido's constitution, amongst other things. Further information in relation to the potential control impacts of the Entitlements Offer is set out in section 8.2.

7.12 Compulsory Acquisition by BCPE

If BCPE acquires over 90% of voting power in respect of the Shares, then BCPE will be able to exercise the right of compulsory acquisition under Part 6A.2 of the Corporations Act.

The possibility of compulsory acquisition by BCPE presents a risk for other Shareholders.

In particular, if BCPE decides to exercise its compulsory acquisition rights, the price to be paid by BCPE will be determined by reference to the fair value of Nido as assessed by an independent expert. There is no guarantee that the price paid under the compulsory acquisition process will be the same or higher than the Issue Price under this Entitlement Offer.

Further, the compulsory acquisition timetable under the Corporations Act is such that BCPE may be making its decision, and the independent expert may be conducting their assessment of fair value, at a time when the results of Galoc-7/7ST are not fully known and a final investment decision for any development of the GMA has not been made.

There is also a risk that BCPE will decide not to exercise its compulsory acquisition rights.

If BCPE does not do so within six months of first acquiring 90% voting power, then BCPE will lose its compulsory acquisition rights.

The circumstances in which BCPE may have the right to compulsorily acquire all of the Shares, and the compulsory acquisition process, are set out in sections 8.2 and 8.4.

7.13 Removal of Nido's ASX Listing

With BCPE controlling 81.25% of the Shares, BCPE may at any time seek to remove Nido from ASX's official list. BCPE may request removal regardless of whether BCPE controls over 90% of the voting power in respect of the Shares.

ASX is not required to act on a request of this nature, and ASX may require conditions to be satisfied before it will action the request. ASX has stated in its guidance notes that, in practice, its decision to act upon a request from an entity for removal from the official list is usually subject to the satisfaction of certain conditions directed to ensuring that:

- (a) the interests of security holders are not unduly prejudiced by the removal; and
- (b) trading in the entity's securities takes place in an orderly manner up to the date of its removal.

In some cases, ASX's conditions may require shareholder approval for removal, with controlling shareholders potentially excluded from voting.

ASX has indicated that a common and acceptable reason for requesting removal is that, as a result of a takeover or other control transaction, the entity only has one or a small number of remaining security holders and so its continued listing can no longer be justified. Conversely, ASX has stated that removal might be for an unacceptable reason if it is done solely or primarily to deny minority shareholders a market for their securities in order to coerce them into accepting an offer from a controlling shareholder to buy their securities.

In August 2014, BCPE stated that it may, in some circumstances, where illiquidity and the ASX Listing Rules permit, seek to remove Nido from ASX's official list.⁴ However, other than this statement, neither Bangchak nor BCPE have expressed to Nido any intention to remove Nido from ASX's official list.

BCPE's intentions may change following completion of the Entitlement Offer, particularly if BCPE's level of control significantly increases.

⁴ BCPE's Bidders Statement dated 4 August 2014, section 6.23.

7.14 Liquidity Risk

The free float for the Shares is low, with approximately 18.75% of the Shares able to be traded. This lack of liquidity makes it difficult to buy and sell the Shares. If BCPE takes up its Entitlement in full (which it has committed to do) and other Eligible Shareholders do not take up their Entitlement in full, then BCPE's control of the Shares will increase and this will further reduce the liquidity of the Shares. The impact on liquidity may be exacerbated if BCPE decides not to exercise its compulsory acquisition rights should it become entitled to do so as a result of this Entitlement Offer.

7.15 Risk of Renouncing Entitlements

If an Eligible Shareholder does not take up, sell or transfer their Entitlement in full under the Entitlement Offer, then their Entitlement will be treated as renounced. If there is a shortfall between Applications received from Eligible Shareholders and the aggregate number of New Shares and Additional Shares proposed to be issued under the Entitlement Offer, the shortfall is intended to be offered for sale under a Shortfall Facility, subject to market demand, at a price per New Share or Additional Share that is no less than the Issue Price of \$0.065.

Any proceeds of sale in excess of the Issue Price (net of withholding tax) will be paid to renouncing Shareholders. However, the ability to sell under a Shortfall Facility and obtain a clearing price through a Shortfall Facility that exceeds the Issue Price will be dependent on a number of factors, including market conditions, and no guarantee can be given that a price in excess of the Issue Price will be achieved and no guarantee of any price at all.

Further, a Shortfall Facility price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of Nido, will, if accepted, result in acceptable allocations to clear the Shortfall.

To the maximum extent permitted by law, Nido and its related bodies corporate and affiliates, or the directors, officers, employees or advisers of any of them, will not be liable, including for negligence, for any failure to procure applications under a Shortfall Facility at a price in excess of the Issue Price.

Eligible Shareholders should also note that if they do not take up all of their entitlement, then their percentage shareholding in Nido will be diluted by not participating to the full extent in the Entitlement Offer.

7.16 Risk of Selling or Transferring Entitlements

If an Eligible Shareholder does not wish to take up their Entitlement, they can sell their Entitlement on ASX or transfer their Entitlement (other than on ASX) to another person or entity during the Entitlement Trading Period.

Prices obtainable for Entitlements may rise and fall over the Entitlement Trading Period and liquidity may vary. If an Eligible Shareholder sells or transfers their Entitlement at one stage in the Entitlement Trading Period, they may receive a higher or lower price than an Eligible Shareholder who sells or transfers their Entitlement at a different stage in the Entitlement Trading Period.

There is no guarantee that there will be a viable market during or on any particular day in the Entitlement Trading Period on which to sell Entitlements on ASX. Eligible Shareholders who wish to sell their Entitlement may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Entitlements.

7.17 Tax Liability relating to the Galoc Field

In March 2015, two Nido entities received review / audit notices from the Bureau of Internal Revenue for the Republic of the Philippines (the *BIR*) in relation to the Galoc Field. Tax reviews /

audits are part of the ordinary course of business in the Philippines. Nido understands that tax review / audits are routinely conducted by the BIR and the issue of a review / audit notice does not necessarily indicate a view on behalf of the BIR that there is an unpaid tax liability.

The relevant entities have submitted all of the information and documents requested by the BIR. No preliminary assessment notices or informal correspondence have been received. The Galoc Field audits remain at an early stage. Therefore, Nido cannot form a view as to the likelihood of the outcomes of the audits and the quantification of any adverse assessment.

7.18 Inability to Meet Future Capital and Funding Requirements

Nido may require further financing in the future, including to fund the development of the GMA if Galoc-7/7ST provides sufficient volumes. Any additional equity financing may be dilutive to certain Shareholders, may be undertaken at lower prices than the current market price, or may involve restrictive covenants which limit Nido's operations and business strategy. While BCPE has provided the Commitment that it will take up its Entitlement under the Entitlement Offer in full, Nido has no assurance that BCPE will commit to participating in, or supporting, any future entitlement offer or other capital raising initiative. Debt financing, if available, may involve restrictions on financing and operating activities. The Facility Agreement currently includes a negative pledge with respect to the creation of any new security over Nido's assets (except for securities created in the ordinary course of business), which means any future secured debt financing from a third party would require approval from Bangchak.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Nido, or at all. If Nido is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Nido's activities and could affect Nido's ability to continue as a going concern.

7.19 Foreign Exchange Risk

The Entitlements Offer is raising funds expressed in Australian dollars. The financial commitment associated with Galoc-7/7ST is denominated in United States dollars. There is a foreign exchange risk between the date immediately prior to announcement of this Entitlements Offer (at which the exchange rate was applied to determine the Australian dollar amount to be raised) and the date on which funds under the Entitlements Offer are received (whereupon they can be converted into United States dollars). Nido will consider hedging this risk, but has not made a decision to do so. If it does not hedge this risk, Nido is exposed to the effect of adverse movements in the Australian dollar against the United States dollar during this period.

As Nido's functional and presentation currency is United States dollars, Nido's balance sheet is not affected significantly by movements in the US\$/A\$ exchange rates and Nido does not hedge its balance sheet foreign currency exposure.

Nido manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring that appropriate cash balances are maintained in both Philippine Peso and Australian Dollars, to meet current operational commitments.

7.20 Regulatory Risk

Petroleum exploration, appraisal, development and production activities are dependent upon the grant and maintenance of appropriate licences, permits and regulatory authorities (**authorisations**) which may not be granted or may be withdrawn. Although authorisations may be renewed or granted, there are no assurances that such authorisations will be renewed or granted (or granted on the same terms). There are also risks of delays in granting such authorisations.

Nido and/or its joint venture partners from time to time require regulatory approvals for its operations and must comply with those approvals and other applicable laws, regulations and policies. This may impact timing and scope of work to be undertaken.

In addition, the level of taxation and payment of government royalties relating to the petroleum industry in the Philippines is extensively regulated, and therefore profitability can be affected by changes in government taxation policies and rulings.

7.21 Joint Venture Risk

The Galoc Field is operated through a joint venture. In addition, Nido may wish to develop its other projects or future projects through joint venture arrangements. There is a risk that one of Nido's current or future joint venture partners may suffer from financial failure or may not act in the best interests of the joint venture. This may have an adverse effect on Nido's interests and prospects.

There is also a risk that the joint venture partners may change over time. One of Nido's joint venture partners in Block C1 of Service Contract 14 is currently actively seeking to divest its interest in the Galoc Field.

7.22 Abandonment Estimates Risk

Nido has exposure to abandonment obligations with respect to the existing facilities and infrastructure in Service Contract 14 including the Nido and Matinloc oil fields in Block A and B of Service Contract 14, the West Linapacan oil field in Block C2 of Service Contract 14 and the Galoc oil field in Block C1 of Service Contract 14.

Whilst abandonment estimates are reviewed regularly to take into account material changes to assumptions, actual decommissioning costs will ultimately depend upon future market prices for the decommissioning works required which will reflect market conditions at the relevant time.

7.23 Environmental Risk

Nido's operations are subject to various environmental laws. Many of the activities cannot be carried out without prior approval from, and compliance with, all relevant authorities. Any delay or failures in obtaining such approval may adversely impact the economic performance of Nido.

Further, oil and gas exploration, appraisal, development and production can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses. Reputational damage can also be suffered as a result of environmental incidents.

7.24 Geopolitical Risk

Service Contract 58 (**SC 58**) (and potentially Service Contract 63 (**SC 63**), although based on recent internal analysis it appears that SC 63 is unlikely to be within the claim area) is partially located in the area of the West Philippines Sea that is the subject of a territorial dispute between the People's Republic of China and the Philippines.

On 22 January 2013, the Philippines took its territorial dispute with China to the United Nations by initiating an international arbitration process. The Philippines challenged the validity of China's claim to almost the entire South China Sea, including the West Philippine Sea, and asked that China desist from unlawful activities that allegedly violated the sovereign rights and jurisdiction of the Philippines.

On 12 July 2016, the Permanent Court of Arbitration in the Hague unanimously found in favour of the Philippines. However, at this stage, there is no clarity as to the practical impact this will have on SC 58 and SC 63.

Block C1 of Service Contract 14 is not within the disputed area the subject of China's claim and so Galoc-7/7ST is not impacted by the claim.

7.25 Third Party Suppliers

Nido's ability to undertake appraisal work and maintain production is highly dependent on securing services, infrastructure and other equipment from third party suppliers. The business of Nido would be materially impacted if any of those suppliers were unwilling or unable to provide services as contracted or made a decision to supply services on unfavourable terms. If suppliers failed to supply the services, terminated the contracts connected with the supply of services (or allowed them to expire without renewing them) or changed terms to be less favourable than those currently offered, and Nido was unable to arrange for the supply of replacement services from another supplier on similar terms, this change might materially impact the financial performance of Nido.

7.26 Counterparty Risk

A counterparty may fail to meet its contractual obligations resulting in financial loss to Nido and impacting on Nido's business relationships and operations. Nido can provide no guarantee that its counterparties will fulfil these obligations or that Nido will successfully manage counterparty credit risk.

7.27 Litigation Risk

Disputes or litigation may arise from time to time in the course of the business activities of Nido. There is a risk that any material or costly dispute or litigation could adversely affect Nido's reputation, financial performance or Share price.

7.28 Risk of Inadequate Insurance Coverage

Nido will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, Nido's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of Nido.

Insurance of risks associated with oil and gas exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where Nido considers it is unreasonable or not in its interests to maintain insurance cover or a level of coverage which is in accordance with industry practice. Nido will use reasonable endeavours to insure against the risks it considers appropriate for Nido's needs and circumstances. However, no assurance can be given that Nido will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

7.29 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect Nido's future plans and ultimately its financial performance and value.

There can be no assurances that Nido's planned development projects and exploration activities will result in significant reserves or that it will have success in drilling productive wells.

7.30 Health and Safety Risk

During the first half of the 2016 financial year, Nido achieved excellent health and safety performance across all assets and activities, with a Total Recordable Injury Frequency Rate (TRIFR) of zero. Nevertheless, health and safety risks are ever present and an incident involving one or more fatalities or serious injuries could have a significant impact on Nido's reputation and also result in suspension and/or closure of its operations.

7.31 Economic Conditions

The operating and financial performance of Nido is influenced by a variety of general economic and business conditions, including commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities, war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business confidence, could be expected to have an adverse impact on Nido's operating and financial performance.

Nido's future possible revenues and the Share prices can be affected by these factors, which are beyond the control of Nido.

7.32 Risks of Investing in Shares

As with all stock market investments, there are risks associated with an investment in Nido. The market price of Shares may rise and fall, and may be subject to varied and unpredictable influences on the market for equities in general and oil and gas stocks in particular.

Factors influencing the price of Shares may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

The past performance of Nido is not necessarily an indication as to the future performance of Nido as the trading price of the Shares can go up or down. Neither Nido nor its directors warrant the future performance of Nido or any return on an investment in Nido.

7.33 Other Risks

The above risks should not be taken as a complete list of the risks associated with an investment in Nido. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of the Shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Nido in respect of the Shares.

8 IMPORTANT INFORMATION

8.1 Date of this Offer Booklet

This Offer Booklet is dated 21 October 2016.

Subject to the following paragraph, statements in this Offer Booklet are made only as of the date of this Offer Booklet unless otherwise stated and the information in this Offer Booklet remains subject to change without notice. Nido is not responsible for updating this Offer Booklet.

The ASX Entitlement Offer Announcement and Investor Presentation accompanying this Offer Booklet are current as at 21 October 2016. There may be additional announcements that are made by Nido after the date of this Offer Booklet and throughout the Entitlement Offer Period that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Nido before submitting an Application.

8.2 Effect of the Entitlement Offer on the Control of Nido

It is not possible to predict the precise effect of the Entitlement Offer on the control of Nido. There are various possible outcomes that may arise and these, in large part, will depend on the extent to which:

- (a) Eligible Shareholders take up their Entitlements under the Entitlement Offer;
- (b) Eligible Shareholders apply for Additional Shares under the Top Up Facility; and
- (c) new investors subscribe for Shares under any Shortfall Facility.

The below analysis explains the various possible outcomes.

- (d) BCPE has voting power in Nido of 81.25%.
- (e) BCPE has given the Commitment that it will take up its full Entitlement in respect of the Entitlement Offer. But BCPE has informed Nido that it does not intend to apply for any Shares under the Top-up or Shortfall Facility.
- (f) If BCPE takes up its full Entitlements, then the effect on control is likely to be as follows:

Scenario	Aggregate take up of New Shares or Additional Shares by Eligible Shareholders (excluding BCPE) and new shareholders	BCPE's voting power in Nido post Entitlement Offer
One	100%	81.25%
Two	75%	84.90%
Three	43%	90.09%
Four	0%	98.14%

- (g) In all scenarios, the proportional interests of Ineligible Shareholders will be diluted because Ineligible Shareholders are not entitled to take up New Shares under the Entitlement Offer. As at the date of this Offer Booklet, these Ineligible Shareholders hold less than 0.09% in aggregate. Therefore, Nido does not believe that extending the Entitlement Offer only to Eligible Shareholders will give rise to any material change in control of Nido.

- (h) Under scenario one, each Eligible Shareholder's percentage ownership interest (and voting power) in Nido – including that of BCPE – will remain the same and there will be no material effect on the control of Nido.
- (i) Under scenarios two to four, the percentage ownership interest (and voting power) of minority Shareholders will be diluted and the voting power of BCPE will be increased. However, the Board notes that any such increase in the voting power of BCPE does not change BCPE's ability to influence voting on resolutions to be considered at Shareholder meetings. This is because BCPE currently holds voting power in Nido of 81.25% and therefore has the ability to determine the outcome of voting at Shareholder meetings on resolutions on which BCPE is entitled to vote.
- (j) Under scenarios three and four, if BCPE acquires over 90% of the voting power in Nido, then BCPE will be able to exercise the right of compulsory acquisition under Part 6A.2 of the Corporations Act.
- (k) Compulsory acquisition would entitle BCPE to acquire all of the Shares that it does not own (subject to compliance with the Corporations Act). The compulsory acquisition process is described in section 8.4.
- (l) If BCPE's level of control does not exceed 90% as a result of the Entitlement Offer, BCPE may nevertheless subsequently move through the 90% threshold by way of the 'creep' exception in item 9 of section 611 of the Corporations Act.
- (m) Given the potential for the Entitlement Offer to affect control of Nido, the Board tasked its Related Party and Conflicts Committee (the **Committee**), which is constituted by a majority of independent Non-Executive Directors and does not include the BCPE nominated directors, with the responsibility of independently assessing and considering all reasonably available funding options to mitigate that effect. The Board also engaged independent financial and legal advisers to advise Nido on the potential control effect and all reasonably available options to mitigate that effect.
- (n) The Committee considered the methods of fund raising available to Nido and explored a range of capital-raising alternatives. The funding options considered by the Committee included:
 - (i) existing cash;
 - (ii) future cash flow;
 - (iii) existing debt facilities;
 - (iv) new debt facilities, including senior debt, subordinated debt, convertible debt and an oil prepayment facility;
 - (v) farm out / divestment;
 - (vi) merger;
 - (vii) placement;
 - (viii) pro rata entitlement offer; and
 - (ix) a combination of one or more of the above.

- (o) The following table summarises the reasons why each of the funding alternatives was not considered appropriate:

Funding option	Reasons for rejection
(i) existing cash;	The Company does not have sufficient existing cash reserves to fund its portion of the costs of Galoc-7/7ST.
(ii) future cash flow;	Given current oil price forecasts the Company will not have sufficient future cash flow to fund Galoc-7/7ST.
(iii) existing debt facilities;	The Company considers that debt is an inappropriate source of funding for an appraisal well. Moreover, the Company is already heavily geared. Finally the Facility Agreement does not permit pre-emptive drawdown for activities such as an appraisal well. The Facility Agreement could only be used to the extent that the Company required financial support to meet contractual commitments up to a cumulative cap of US\$4 million. ⁵
(iv) new debt facilities, including senior debt, subordinated debt, convertible debt and an oil prepayment facility;	The Company considers that debt is an inappropriate source of funding for an appraisal well. Moreover, the Company is already heavily geared.
(v) farm out / divestment;	The current market conditions are not conducive to a farm-out or other partial divestment on terms likely to be acceptable to Nido, or within a timeframe appropriate in the current circumstances.
(vi) merger;	The Company considers there are no prospects of effecting a merger on satisfactory terms and in the time available.
(vii) placement.	The Company did not consider that a placement of new equity to a third party would be possible in the current market conditions. A placement of the necessary size would require shareholder approval, and there is no assurance that the Company's largest shareholder (whose support would be critical for any such approval) would support such a placement.

⁵ Refer to section 7.3 for a summary of the purposes of the Facility Agreement and the availability of the Facility Agreement in this context.

- (p) The Committee, having considered the various funding options and having taken independent financial and legal advice, made a recommendation to the Board that the only available means of funding Galoc-7/7ST would be a pro rata entitlement offer.
- (q) Notwithstanding the potential control impact, the Board considers that such an effect is acceptable in the circumstances as it would only occur where:
 - (i) all Eligible Shareholders have had an equitable opportunity to participate in the Entitlement Offer including via the right to apply for Additional Shares under the Top Up Facility; and
 - (ii) new investors are intended to have the opportunity to apply for shares under a Shortfall Facility.

8.3 BCPE Intentions in relation to compulsory acquisition

A decision about whether BCPE will exercise its compulsory acquisition rights in the event that its voting power in Nido reaches at least 90% as a result of this Entitlement Offer requires BCPE board approval. BCPE has informed Nido that board approval will be formally sought if this occurs. BCPE's current intention, subject to receiving board approval, is that it would exercise its compulsory acquisition rights in these circumstances. BCPE reserves its rights in respect of its intentions as any future decisions will be reached by BCPE based on all material information and circumstances at the relevant time, including circumstances that may be unrelated to Nido. Accordingly, this statement should not be taken as a commitment from BCPE to exercise its compulsory acquisition rights. BCPE has not engaged any advisers or independent experts to provide information as to the value of Nido and the price that would be payable to shareholders in the event BCPE decided to exercise its compulsory acquisition rights.

8.4 Compulsory Acquisition Process

The following is a summary of the compulsory acquisition process.

- (a) If BCPE has a compulsory acquisition power through acquiring 90% of the Shares, and BCPE wishes to exercise that power, BCPE must lodge a compulsory acquisition notice with ASIC within six months of first acquiring 90%. The notice must be despatched to minority Shareholders at the same time as lodging with ASIC, or the next business day.
- (b) The notice must state or include the following, as applicable.
 - (i) The cash consideration to be paid to minority Shareholders. The shares of minority Shareholders can only be acquired for cash consideration and the same price must be offered to all minority Shareholders (subject to certain exceptions).
 - (ii) The one month objection period during which minority Shareholders may return objection forms (with an objection form to be included with the notice). Information regarding the compulsory acquisition procedure must also be included.
 - (iii) The price paid by BCPE or an associate for any Shares in the 12 month period prior to the notice.
 - (iv) Any other information known to BCPE or any related bodies corporate (which includes Nido) and material to deciding whether to object to the acquisition (and not disclosed in the expert's report referred to below).

- (v) An independent expert's report and provide that report to the Shareholders with the notice. The expert's report must state whether, in the expert's opinion, the price offered gives fair value for the Shares. The expert must include reasons for that opinion. Fair value must first be determined on the basis of the value of Nido as a whole, then allocate that value pro rata among the Shareholders. The expert must take into account the value of any consideration paid for shares in the prior six months. This goes beyond the price paid by BCPE in that period and includes the price paid by any person. Nido would expect that the expert would have consideration to transactions involving Nido's underlying assets (e.g. joint venture partners' participating interests).
- (c) Once given, the notice cannot be withdrawn. However, if the objection period for the notice has not ended, another notice may be given.
- (d) A Shareholder may object to the acquisition by signing an objection form and giving it to BCPE. BCPE has to lodge with ASIC a copy of any objection received by BCPE. Objections must be made within one month of receiving the compulsory acquisition notice. An objection cannot be withdrawn.
- (e) If Shareholders who together hold at least 10% of the minority Shares object to the acquisition before the end of the objection period, BCPE must (within one month after the end of the objection period) either notify all Shareholders that:
 - (i) the acquisition will not proceed; or
 - (ii) BCPE will apply to the Court for approval of the acquisition.
- (f) If BCPE elects to apply to the Court for approval of the acquisition, BCPE has to establish that the terms of the acquisition give fair value for the Shares. If the Court is satisfied that the price is fair value, then the Court must approve the acquisition. If not, the acquisition will not proceed. BCPE must pay the costs incurred by a Shareholder in the objection proceedings, unless the Court considers that the Shareholder acted improperly, vexatiously or otherwise unreasonably.

8.5 No prospectus

This Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully and in their entirety before deciding whether or not to participate in the Entitlement Offer.

The Entitlement Offer is being made pursuant to the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared.

These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in Nido. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

8.6 Offer Booklet Availability

Eligible Shareholders in Australia, New Zealand, Singapore, Switzerland and Hong Kong can obtain a copy of this Offer Booklet during the Entitlement Offer Period on Nido's website at www.nido.com.au or by calling the Share Registry, Monday to Friday, 8.30am – 5pm (AEDT time) on 1300 850 505 toll free (within Australia) or +61 3 9415 4000 (outside Australia). Persons who

access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet.

The electronic version of this Offer Booklet on Nido's website will not include an Entitlement and Acceptance Form. Eligible Shareholders with registered addresses in Australia, New Zealand, Singapore, Switzerland and Hong Kong will be sent a copy of this Offer Booklet and their personalised Entitlement and Acceptance Form. Alternatively, you can download a copy of your personalised Entitlement and Acceptance Form by accessing the website www.investorcentre.com. Please contact the Share Registry should you have any queries in this regard.

8.7 Continuous Disclosure

Nido is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Nido is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Nido has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its shares. That information is available to the public from the ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Nido. These documents may be obtained from, or inspected at, an ASIC office.

8.8 Not investment or financial product advice

The information provided in this Offer Booklet and the accompanying Entitlement and Acceptance Form is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs, and should not be considered to be comprehensive or to comprise all the information which a Shareholder may require in order to determine whether or not to subscribe for New Shares. Nido is not licensed to provide financial product advice in relation to the Entitlement Offer. If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

Prospective investors should conduct their own independent investigation and assessment of the Entitlement Offer and the information contained in, or referred to in, this Offer Booklet.

An investment in Nido is subject to investment risk including possible loss of principal invested. You should read the entire ASX Entitlement Offer Announcement and Investor Presentation accompanying this Offer Booklet and other materials sent to you in relation to the Entitlement Offer and any relevant materials lodged with ASX, consider all of the risk factors that could affect the performance of Nido in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

8.9 Past Performance

Past performance information included in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

8.10 Taxation

(a) General

Set out below is a summary of the Australian tax implications of the Entitlement Offer for Eligible Shareholders for tax purposes and who hold the Shares on capital account.

The summary below does not deal with the tax implications for Eligible Shareholders who hold their Shares as revenue assets or trading stock or whose Shares were acquired under an employee share plan. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Shareholder.

The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. Taxation is a complex area of law and the taxation consequences for each Eligible Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law and administrative practice in effect as at the date of this Offer Booklet.

Neither Nido nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

(b) Issue of Entitlements

Australian Resident Eligible Shareholders

The issue of an Entitlement should not of itself result in an amount being included in your assessable income on the basis that the Entitlement is granted because of your ownership of an existing Share.

For CGT purposes, the date on which the Entitlement is acquired should be the same as the date on which you acquired your existing Share.

Non-Resident Eligible Shareholders

Ordinarily, the position described above with respect to Australian resident Eligible Shareholders should equally apply to non-resident Eligible Shareholders. However, the position may be different for non-resident Eligible Shareholders whose Entitlement is held (and dealt with) by a nominee. In such cases, independent taxation advice should be obtained as to the potential Australian income tax consequences that may arise.

(c) Sale of Entitlements

The Entitlements are renounceable and should be able to be traded on the ASX (if a viable market exists, which is not guaranteed) or privately transferred.

Australian Resident Eligible Shareholders

If you sell your Entitlement on the ASX or otherwise, you should derive a capital gain to the extent that the sale proceeds exceed the cost base of the Entitlement (which should include certain incidental costs, such as costs associated with the sale). Individuals, complying superannuation entities or trustees that have held their existing Shares for at least 12 months (not including the date of acquisition or disposal), should be entitled to discount the amount of a capital gain resulting from the sale of the Entitlement (following the application of any current year or carry forward capital losses) by the 'CGT discount'. The applicable discount factor is 50% for individuals and trustees, and 33 and 1/3 percent for complying superannuation entities. The CGT discount is not available for companies

(other than companies acting in the capacity of trustee). If you are a trustee, you should seek independent advice regarding the tax consequences arising to you (and your beneficiaries) as a result of the receipt of discount capital gains.

To the extent that the sale proceeds from the sale of your Entitlement are less than the reduced cost base of the Entitlement (which should broadly be determined in a similar manner to its cost base), you may incur a capital loss. Any capital loss may be offset against other capital gains you realise in the same income year or carried forward to be offset against future capital gains, subject to the satisfaction of applicable loss utilisation tests.

Non-Resident Eligible Shareholders

If you sell your Entitlement on the ASX or otherwise, you should derive a prima facie capital gain for CGT purposes to the extent that the sale proceeds exceed the cost base of the Entitlement (which should include certain incidental costs, such as costs associated with the sale).

However, any capital gain should generally be disregarded for Australian income tax purposes unless, broadly:

- the Entitlement is or has been held by you in connection with an Australian permanent establishment; or
- you and/or your associates hold at least 10% of the Shares in Nido and Nido is “land rich” for Australian income tax purposes. In the ordinary case, Nido should be land rich for Australian income tax purposes where more than 50% of the market value of its assets is comprised by Australian real property interests and/or certain rights over Australian minerals.

To the extent that the sale proceeds from the sale of your Entitlement are less than the reduced cost base of the Entitlement (which should broadly be determined in a similar manner to its cost base), you may incur a capital loss. However, any capital loss should generally be disregarded for Australian income tax purposes unless either of the above requirements is satisfied.

(d) Entitlements Not Taken Up

Australian Resident Eligible Shareholders

Eligible Shareholders who choose not to take up some or all of their Entitlement may receive proceeds from the sale of New Shares under a Shortfall Facility.

The Australian Commissioner of Taxation (Commissioner) expressed the view in Taxation Ruling TR 2012/1 ‘Income tax: retail premiums paid to shareholders where share entitlements are not taken up or are not available’, that certain payments (‘Retail Premiums’) received by non-participating shareholders are assessable as either an unfranked dividend or as ordinary income, and not as capital gains.

Having said this, TR 2012/1 states that it only applies to schemes with certain features including where ‘[t]he Entitlements cannot be traded, transferred, assigned or otherwise dealt with by the shareholder or on behalf of the shareholder or anyone else’. As previously noted, the Entitlements issued by Nido are tradeable on the ASX (if a viable market exists), or may be transferred to another person. Consequently, it appears that TR 2012/1 may not be applicable in the context of the Entitlement Offer.

Ultimately, it is not clear whether the position adopted by the Commissioner in TR 2012/1 is correct at law or whether the tax treatment specified in TR 2012/1 could in fact be

applicable to you. As such, you should be aware that the Commissioner may seek to administer the law in a way which applies the tax treatment specified in TR 2012/1 to Entitlements sold through a Shortfall Facility. That is, there is a possibility that the Commissioner could seek to treat the Retail Premium as an unfranked dividend or ordinary income for tax purposes.

Under this tax treatment, the Retail Premium should be subject to tax on income account without the benefit of any tax offsets such as dividend imputation. Further, you should not be able to apply the CGT discount, nor be able to offset the payment against any capital losses.

Given the uncertainty brought about by TR 2012/1, Eligible Shareholders who are contemplating the sale of their Entitlements through a Shortfall Facility may wish to consider selling their Entitlements on the ASX or otherwise, subject to any commercial considerations.

Separately, Nido may be obliged to withhold tax in relation to any payment on sale of your Entitlement under a Shortfall Facility unless you have provided your TFN or ABN.

Eligible Shareholders who are Australian tax residents and have not previously provided their TFN or ABN to Nido may wish to do so prior to the close of the Entitlement Offer to ensure that withholding tax is not deducted from any proceeds payable to them. If no TFN or ABN is provided, withholding tax may be deducted from such payment at the rate of 49%.

Shareholders are able to provide their TFN or ABN online with the Registry at www.computershare.com.au. When providing details online, you will be required to enter your Security Reference Number (SRN) or Holder identification Number (HIN) as shown on your Issued Sponsored / CHESS statements and other personal details.

Non-Resident Eligible Shareholders

The comments set out above in relation to TR 2012/1 should be equally applicable if you are a non-resident Eligible Shareholder and you receive a Retail Premium. In particular, there is a possibility that the Commissioner could seek to characterise the Retail Premium as an unfranked dividend, or alternatively, as ordinary income in certain circumstances.

In this regard, if the Retail Premium were to be characterised as an unfranked dividend in accordance with TR 2012/1, it should generally be subject to Australian dividend withholding tax at a rate of 30%. However, if you are tax resident in a country with which Australia has concluded a comprehensive double taxation agreement (**DTA**), the rate may be reduced (usually to 15%).

By contrast, if the Retail Premium were to be characterised as ordinary income in accordance with TR 2012/1, it may be subject to Australian income tax to the extent that it is sourced in Australia. However, if you are tax resident in a country with which Australia has concluded a comprehensive DTA, relief from Australian income tax may be available pursuant to the terms of that DTA. We recommend that you obtain independent advice to clarify the applicable tax treatment in these circumstances.

(e) **Exercise of Entitlements**

No income tax or CGT liability should arise to an Australian resident Eligible Shareholder or non-resident Eligible Shareholder on the taking up of the Entitlement.

If you take up all or part of your Entitlement, you will acquire New Shares. The cost base of each New Share for CGT purposes should be equal to the Offer Price plus any non-deductible incidental costs you incur in acquiring each New Share.

New Shares should be taken to have been acquired on the day you exercise the Entitlement. This is relevant when determining whether the CGT discount may apply on the subsequent disposal of New Shares; refer to below.

(f) **Dividends on New Shares as a result of Exercise of Entitlements**

Any future dividends or other distributions made in respect of New Shares should be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

(g) **Sale of New Shares**

Australian Resident Eligible Shareholders

If you sell your New Shares, you should derive a capital gain to the extent that the sale proceeds exceed the cost base of the New Shares (which should also include any non-deductible transaction costs associated with the sale). Individuals, trustees or complying superannuation entities that have held the New Shares for at least 12 months (not including the date of acquisition or disposal) should be entitled to the CGT discount; refer above.

To the extent that the sale proceeds from the disposal of your New Shares are less than the reduced cost base of the New Shares (which should broadly be determined in a similar manner to its cost base), you may incur a capital loss. Any capital loss may be offset against capital gains you realise in the same income year or carried forward to be offset against future capital gains, subject to the satisfaction of applicable loss utilisation tests.

Non-Resident Eligible Shareholders

If you sell your New Shares, you should derive a prima facie capital gain for CGT purposes to the extent that the sale proceeds exceed the cost base of the New Shares (which should include certain incidental costs, such as costs associated with the sale). However, any capital gain should generally be disregarded for Australian income tax purposes unless, broadly:

- the New Shares are held by you in connection with an Australian permanent establishment; or
- you and/or your associates hold at least 10% of the Shares in Nido and Nido is “land rich” for Australian income tax purposes. In the ordinary case, Nido should be land rich for Australian income tax purposes where more than 50% of the market value of its assets is comprised by Australian real property interests and/or certain rights over Australian minerals.

To the extent that the sale proceeds from the sale of your New Shares is less than the reduced cost base of the New Shares (which should broadly be determined in a similar manner to its cost base), you may incur a capital loss. However, any capital loss should generally be disregarded for Australian income tax purposes unless either of the above requirements is satisfied.

(h) **Taxation of Financial Arrangements (TOFA)**

The TOFA provisions operate to make assessable, or deductible, gains or losses arising from certain ‘financial arrangements’. Importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions.

An entitlement or right to receive a share is a ‘financial arrangement’. However, depending on the circumstances of the particular taxpayer, the TOFA provisions may be

effectively excluded from applying. Further, certain taxpayers (including many individuals) may be excluded from the application of the TOFA provisions unless they make a valid election for the provisions to apply.

As the application of the TOFA provisions is dependent on the particular facts and circumstances of the taxpayer, Eligible Shareholders should obtain independent taxation advice in relation to the potential applicability of the TOFA provisions, in light of their own individual facts and circumstances.

(i) **Other Australian taxes**

No Australian Goods and Services Tax (GST) or material stamp duty should generally be payable in respect of the issue, sale or taking up of Entitlements or the acquisition of New Shares.

8.11 Foreign jurisdictions – restrictions and limitations

(a) **General**

This Offer Booklet and the Entitlement and Acceptance Form have been prepared to comply with the requirements of the securities laws of Australia, New Zealand, Singapore, Switzerland and Hong Kong.

This Offer Booklet and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia, New Zealand, Singapore, Switzerland and Hong Kong.

The distribution of this Offer Booklet or the Entitlement and Acceptance Form (including an electronic copy) outside Australia, New Zealand, Singapore, Switzerland and Hong Kong may be restricted by law. If you come into possession of the information in this Offer Booklet or the Entitlement and Acceptance Form, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

(b) **New Zealand**

The Entitlements and New Shares being offer under this Offer Booklet are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct Act 2013 (New Zealand)* and the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a disclosure document under New Zealand law is required to contain.

In accordance with the *Securities Act (Overseas Companies) Exemption Notice 2013 (NZ)*, a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time the Entitlement Offer opens (being 2 November 2016) no longer holds Shares, is not eligible to participate in the Entitlement Offer.

(c) **Singapore**

This Offer Booklet and any other materials relating to the Entitlements and New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Booklet and any other document or materials in connection with the Offer may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to section 275(1), or any person pursuant to section 275(1A), and in accordance with the conditions specified in section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Booklet has been given to you on the basis that you are (i) an existing holder of Nido Shares, (ii) an "institutional investor" (as defined in section 4A(1) of the SFA), pursuant to section 274 of the SFA or (iii) a "relevant person" (as defined in section 275(2) of the SFA) pursuant to section 275(1), and in accordance with the conditions specified in section 275, of the SFA. In the event that you are not an investor falling within any of the categories set out above, please return this Offer Booklet immediately. You may not forward or circulate this Offer Booklet to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the Entitlements or New Shares. In particular, where the Entitlements or New Shares are subscribed or purchased under section 275 of the SFA by a "relevant person" which is:

- a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Entitlements or New Shares pursuant to an offer made under section 275 of the SFA except:

- (i) to an institutional investor or to a "relevant person" (as defined in section 275(2) of the SFA), or to any person arising from an offer referred to in section 275(1A) or section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(d) **Switzerland**

The New Shares may not be publicly offered, sold or advertised directly or indirectly into or in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland.

Neither this Offer Booklet nor any other offering or marketing material relating to the New Shares or the Entitlement Offer have been prepared with regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland, and therefore do not constitute a prospectus within the meaning of the Swiss Code of Obligations, the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this Offer Booklet nor any other offering or marketing material relating to the New Shares or the Entitlement Offer may be publicly distributed or otherwise made publicly available in Switzerland.

(e) **Hong Kong**

WARNING: The contents of this Offer Booklet have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Offer Booklet, you should obtain independent professional advice.

This Offer Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Offer Booklet or to permit the distribution of this Offer Booklet or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

(f) **United States**

This Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. None of this Offer Booklet, the ASX Entitlement Offer Announcement and Investor Presentation accompanying it nor the Entitlement and Acceptance Form may be distributed to or released in the United States or to any U.S. Person.

The Entitlements and the New Shares have not been, or will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

The Entitlements and the New Shares offered in the Entitlement Offer may only be offered and sold outside the United States to persons that are not U.S. Persons and are not acting for the account or benefit of U.S. Persons in 'offshore transactions' (as defined in Regulation S under the Securities Act) in compliance with Regulation S under the Securities Act.

8.12 Authorisation and Disclaimers

This Offer Booklet is issued by, and is the sole responsibility of, Nido.

None of the parties referred to in the Corporate Directory of this Offer Booklet (other than Nido), has:

- authorised or caused the issue of this Offer Booklet; or
- made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Offer Booklet (other than Nido) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

The information contained in this Offer Booklet is of general nature and has been prepared by Nido in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by Nido or any person associated with it in connection with the Entitlement Offer.

8.13 Broker and Ineligible Foreign Shareholder Nominee Fees

Nido has entered into a broker and sale nominee engagement (***Broker and Nominee Agreement***) with the Nominee under which the Nominee has agreed to act as a nominee for Ineligible Shareholders and to work with Nido to sell the Entitlements of Ineligible Shareholders and distribute any proceeds of sale (net of expenses and of any withholding required by law) proportionately to the Ineligible Shareholders. Nido will pay the Nominee a fee of \$50,000 to provide these services.

The Nominee has also agreed to assist Nido in:

- offering the Entitlement Offer to Eligible Shareholders other than BCPE; and
- placing/selling any shares that Nido decides to offer under a Shortfall Facility, subject to market demand,.

The Nominee will be paid a fee of 6% (plus GST) of the gross amount raised pursuant to the Entitlement Offer and a Shortfall Facility (other than in respect of the \$25.9 million that BCPE has agreed to take up). The Nominee's fee for these additional services is capped at \$50,000.

Nido has also agreed to reimburse the Nominee for certain expenses and, subject to certain carve-outs, to indemnify the Nominee and its related bodies corporate, and each of their officers, directors, employees, agents and representatives against any losses they may suffer or incur in connection with the services to be provided by the Nominee to Nido.

It is important to note that the Nominee will be acting for and providing services to Nido in performing its obligations under the Broker and Nominee Agreement and will not be acting for or providing services to Nido's Shareholders, creditors, employees or potential new investors. The engagement of the Nominee by Nido is not intended to create any agency, fiduciary or other relationship between the Nominee and Nido's Shareholders, creditors, employees or potential new investors.

8.14 Consent of Computershare

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Offer Booklet other than being named as Share Registrar to the Company.

Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Offer Booklet.

8.15 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in Western Australia, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

9 ELIGIBLE SHAREHOLDER DECLARATIONS

By returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY®, you will be deemed to have made the following representations, declarations and acknowledgements to Nido – namely, that you:

- declare that you are an Eligible Shareholder as defined in this Offer Booklet;
- acknowledge that you have read this Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety, and have understood the Offer Booklet and the accompanying Entitlement and Acceptance Form;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet (including section 6.1), and Nido's constitution;
- authorise Nido to register you as the holder of the New Shares allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Nido receives the Entitlement and Acceptance Form or any payment of Application Moneys via BPAY®, you may not withdraw it except as allowed by law;
- agree to apply for the number of New Shares (including Additional Shares) specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Moneys via BPAY®, at the Issue Price per New Share;
- agree to be issued the number of New Shares that you apply for;
- authorise Nido, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are the current registered holder(s) at the Record Date of Shares and are a resident of Australia, New Zealand, Singapore, Switzerland or Hong Kong;
- acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Nido and is given in the context of Nido's past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any other place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares;
- acknowledge the statement of risks in section 7 of this Offer Booklet, and that investments in Nido are subject to investment risk;

- acknowledge that none of Nido, its related bodies corporate and affiliates and its directors, officers, employees, agents consultants, advisors, guarantees the performance of Nido, nor do they guarantee the repayment of capital;
- authorise Nido to correct any errors in the Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Nido and its related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in Entitlement Offer;
- acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions of the United States, or in any other jurisdiction outside Australia, New Zealand, Singapore, Switzerland or Hong Kong and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or transferred, in the United States or in any other jurisdiction other than Australia, New Zealand, Singapore, Switzerland or Hong Kong, or to , or for the account or benefit, of a U.S. Person, or persons in the United States or any other jurisdiction outside Australia, New Zealand, Singapore, Switzerland or Hong Kong , except in an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- represent and warrant that you are not in the United States and are not a U.S. Person and are not acting for the account or benefit of a U.S. Person;
- agree not to send this Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a U.S. Person or is acting for the account or benefit of a U.S. Person;
- agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person;
- represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date.

10 GLOSSARY

In this Offer Booklet, the following terms have the following meanings unless the context requires otherwise.

Term	Meaning
Additional Shares	New Shares applied for by an Eligible Shareholder that are in excess of that Eligible Shareholder's Entitlement
Application	an application for New Shares (including any Additional Shares, if applicable) lodged in accordance with the instructions in this Offer Booklet and the Entitlement and Acceptance Form
Application Monies	a payment or payments made to subscribe for New Shares
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or a financial market operated by it
ASX Listing Rules	the official listing rules of the ASX
AEDT	Australian Eastern Daylight Time
Bangchak	Bangchak Petroleum Public Company Limited
BCPE	BCP Energy International Pte Ltd
Board	the board of Directors
Closing Date	29 November 2016 (5pm AEDT)
Commitment	means the commitment from BCPE described in section 3.12
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	means a director of Nido
Eligible Shareholders	has the meaning given in section 6.1
Entitlement	the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying this Offer Booklet which Eligible Shareholders may use to apply for New Shares
Entitlement Market Open	26 October 2016
Entitlement Market Close	22 November 2016 (5pm AEDT)
Entitlement Offer	the 11.2 for 1 ('low doc') renounceable pro rata entitlement offer to subscribe for New Shares at the Issue Price set out in this Offer Booklet and the Entitlement and Acceptance Form, and announced on the ASX on 21 October 2016
Entitlement Offer Period	the period from and including the Opening Date until and including the Closing Date
Entitlement Trading Period	the period from and including the Entitlement Market Open until and including the Entitlement Market Close
FID	means Final Investment Decision
Facility Agreement	means the loan facility from Bangchak described in section 7.3
Galoc-7/7ST	The Galoc-7 appraisal well and an associated side-track
Galoc Field	The Galoc oil field situated in Block C1 of Service Contract 14 in the North West Palawan Basin, offshore Philippines
Galoc JV	The joint venture to develop the Galoc Field

Term	Meaning
Galoc JV Partners	The Galoc JV partners are: <ul style="list-style-type: none"> · Nido with a 55.88% participating interest; · Kuwait Foreign Petroleum Exploration Company with a 26.84473% participating interest; · Oriental Petroleum & Minerals Corporation with a 7.78505% participating interest; · The Philodrill Corporation with a 7.21495% participating interest; and · Forum Energy Philippines Corporation with a 2.27575% participating interest.
GMA	Galoc Mid Area
GPC	has the meaning given in section 7.11
Ineligible Shareholders	has the meaning given in section 6.2
Investor Presentation	the investor presentation relating to the Entitlement Offer given to the ASX on 21 October 2016 and attached to this Offer Booklet
Issue Price	\$0.065 per New Share
New Share	a Share issued under the Entitlement Offer
Nido	means Nido Petroleum Limited (ABN 65 086 630 373)
Nominee	Hartleys Limited (ABN 33 104 195 057) itself, or through its wholly-owned subsidiary.
Offer Booklet	this booklet setting out the terms of the Entitlement Offer
Opening Date	2 November 2016
Record Date	27 October 2016 (7pm AEDT)
Securities Act	the <i>U.S. Securities Act of 1933</i> (as amended)
Share	a fully paid ordinary share in the capital of Nido
Shareholder	a registered holder of Shares
Share Registry	Computershare Limited (ABN 71 005 485 825)
Shortfall	a shortfall between Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer
Shortfall Facility	a facility for application for Additional Shares as described in section 5.6
Top Up Facility	a facility for application for Additional Shares as described in section 5.5
U.S. Persons	has the meaning given in Regulation S under the Securities Act

ATTACHMENTS

ASX ENTITLEMENT OFFER ANNOUNCEMENT

INVESTOR PRESENTATION

21 October 2016

ASX ANNOUNCEMENT

Nido Petroleum Limited Launches A\$31.9m Pro-Rata Renounceable Entitlement Offer

Nido Petroleum Limited (**Nido** or the **Company**) today announced that it will raise up to A\$31.9m (before costs) (US\$24.6 million) through an 11.2 for 1 pro-rata renounceable Entitlement Offer of New Shares at an Offer Price of A\$0.065 per New Share. The Entitlement Offer is not underwritten.

Proceeds from the Entitlement Offer (**New Funds**) will be used to fund the drilling of Nido's participating interest share¹ of the drilling of the Galoc-7 appraisal well and, if required, an associated side-track (**Galoc-7/7ST**) scheduled to occur in Q1 2017. Galoc-7/7ST will appraise the currently untested Galoc Mid Area (**GMA**) in Nido's core asset, Block C1 of Service Contract 14 (**Galoc Field**). Nido is the operator of the Galoc Field.

The New Funds may also provide additional contingency for unbudgeted cost overruns associated with Galoc-7/7ST and, in the event this contingency is not required, a small amount of working capital for post well analysis and, in the case of appraisal success, development planning. Nido's budgeted share of the Galoc-7/7ST is estimated to be A\$24.0 million² (US\$18.5 million). The Galoc Joint Venture has approved the expenditure associated with the work programme.

If Galoc-7/7ST is successful, the subsequent development of the GMA is expected to materially increase reserves and production, substantially extending the life of the Galoc Field.

The Offer Price of \$0.065 represents:

- a 13.3% discount to the closing price of Nido shares of A\$0.075 on 18 October 2016;
- a 22.0% discount to the one month volume weighted average price of A\$0.083 per share; and
- a 36.8% discount to the three month volume weighted average price of A\$0.103 per share.

The Entitlement Offer is renounceable, which means that Entitlements may be offered for sale on the ASX (if a viable market exists) or otherwise transferred, providing the opportunity for Eligible Shareholders to realise value for any Entitlements not taken up. Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) at the Offer Price under the Top Up Facility. If there is a shortfall between receipt of valid Applications received from Eligible Shareholders (including any applications for Additional Shares) and the aggregate number of New Shares proposed to be issued under the Entitlement Offer, the shortfall is intended to be offered for sale to new shareholders under a shortfall facility, subject to market demand.

¹ Nido owns 55.88% of the Galoc Field through its wholly owned subsidiary companies Galoc Production Company WLL and Nido Production (Galoc) Pty Ltd.

² Converted from US dollars based on a conversion rate of AUD/USD of 0.77.

BCP Energy International Pte Ltd which controls 81.25% of the Company has committed to take up all of its pro rata entitlement under the Entitlement Offer representing A\$25.9 million in proceeds.³

Eligible Shareholders

The Entitlement Offer is only available to Eligible Shareholders. An Eligible Shareholder is a person:

- who is registered as a holder of Nido Shares on the Record Date (being 7pm (AEDT) on 27 October 2016;
- whose registered address on the Nido register of members is in Australia, New Zealand, Singapore, Switzerland or Hong Kong;
- who is not in the United States and is neither a U.S. Person nor acting for the account or benefit of a U.S. Person; and
- who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Ineligible Shareholders

Shareholders who do not satisfy the above criteria are not eligible to participate in the Entitlement Offer (**Ineligible Shareholders**).

Nido has decided that it is unreasonable to make offers under the Entitlement Offer to holders of Shares who have registered addresses outside Australia, New Zealand, Singapore, Switzerland and Hong Kong, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

Nido has appointed a nominee for Ineligible Shareholders (**Nominee**). The Nominee's appointment has been approved by ASIC in accordance with section 615 of the Corporations Act. The Nominee will work with Nido to sell the Entitlements of Ineligible Shareholders and distribute any proceeds of sale (net of expenses and of any withholding required by law) proportionately to the Ineligible Shareholders.

Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event ⁴	Date
Announcement of the Entitlement Offer	Friday, 21 October 2016

³ The terms of the commitment are summarised in the Offer Booklet.

⁴ All times and dates in this indicative timetable refer to Australian Eastern Daylight Time (AEDT).

Event⁴	Date
Despatch notice to Shareholders	Monday, 24 October 2016
Ex date and Entitlement trading commences	Wednesday, 26 October 2016
Record Date for eligibility in the Entitlement Offer (7pm)	Thursday, 27 October 2016
Offer Booklet despatched, Entitlement Offer opens	Wednesday, 2 November 2016
Entitlement trading ends	Tuesday, 22 November 2016
New Shares quoted on a deferred settlement basis	Wednesday, 23 November 2016
Last day to extend the Entitlement Offer closing date	Thursday, 24 November 2016
Entitlement Offer closing date (5pm)	Tuesday, 29 November 2016
Nido notifies ASX of under subscriptions	Friday, 2 December 2016
Shortfall allocations completed	Friday, 2 December 2016
Issue New Shares issued under the Entitlement Offer	Tuesday, 6 December 2016
Trading of New Shares on a normal settlement basis	Wednesday, 7 December 2016
Despatch of holding statements for New Shares	Friday, 9 December 2016

Further Information

Detailed information relating to the Entitlement Offer and its implications for Nido shareholders is contained in the Offer Booklet. A copy of the Offer Booklet which will be forwarded to Nido's shareholders on 2 November 2016 is annexed to this ASX Announcement. Shareholders are encouraged to read the Offer Booklet in detail.

Miro Advisors and Allens are advising Nido in relation to the Entitlement Offer. Hartleys has been appointed as broker to the Entitlement Offer.

Shareholder Enquiries

If you are an Eligible Shareholder and have any questions in relation to how to complete the Entitlement and Acceptance Form, please call the Share Registry, Computershare, Monday to Friday, 8.30am - 5pm (AEDT time) on 1300 850 505 toll free (within Australia) or +61 3 9415 4000 (outside Australia).

Future performance and forward looking statements

This announcement and the Offer Booklet contain certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'predict', 'plan', 'will', 'believe', 'forecast', 'estimate', 'target', and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of the proceeds.

The forward looking statements contained in this announcement and the Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Nido, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Please refer to section 7 of the Offer Booklet for a summary of certain general and Nido specific risk factors that may affect Nido. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this announcement and the Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Nido as at the date of this announcement and the Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Nido undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Not for Distribution or Release in the United States or to U.S. Persons

This Entitlement Offer does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'U.S. person' under the *U.S. Securities Act of 1933* (as amended) (**Securities Act**). The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.



Renounceable Entitlement Offer

October 2016



Disclaimer

This presentation contains forward looking statements concerning the financial condition, results of operations and business of Nido Petroleum Limited. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar statements are intended to identify forward looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward looking information and statements. These risks and uncertainties include, but are not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation, development progress, operating results, reserve estimates, loss of market share, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates, political risks including the risk of expropriation and renegotiation of the terms of contracts with government entities, delays or advancements in the approval of projects and delays in the reimbursement of shared costs.

The forward looking statements are based on information available to Nido as at the date of this Investor Presentation. Except as required by law or regulation (including the ASX Listing Rules), Nido undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Raising Up To A\$31.9m to Fund Galoc-7/7ST Well



Nido has announced a A\$31.9m pro-rata renounceable Entitlement Offer

- 11.2 New Nido shares for every Nido share held
- A\$0.065 per New Nido Share
- Up to 491.2m New Shares to be issued
- Renounceable Entitlement Offer raising up to A\$31.9m (before costs)

Net proceeds from the Entitlement Offer will be used to fund the Galoc-7/7ST drilling programme

- Nido plans to drill the Galoc-7 appraisal well and an associated side-track (**Galoc-7/7ST**) in early 2017⁽¹⁾
- Galoc-7/7ST will appraise the currently untested “Galoc Mid Area” (**GMA**) of the Galoc Field
- Nido’s budgeted participating interest share of well costs is estimated to be A\$24.0 million⁽²⁾ (US\$18.5 million)
- If Galoc-7/7ST is successful, the subsequent development of the GMA will materially increase reserves and production, substantially extending the life of the Galoc Field
- GMA economics robust at current forecasts of oil price and costs

Majority shareholder BCP Energy International Pte Ltd has committed to take up its Entitlement in full

- BCP Energy International Pte Ltd ⁽³⁾ (**BCPE**) has committed A\$25.9m (US\$20.0m) in new equity to fully fund the budgeted well programme and pay the Entitlement Offer costs
- The commitment from BCPE, who currently hold 81.25% of the issued Nido stock, is a strong endorsement of the Entitlement Offer and Nido’s strategy for future growth

(1) If the Galoc-7 well is highly successful, there may not be a need to drill the associated side-track well

(2) Calculated based on an exchange rate of AUD/USD 0.77

(3) BCP Energy International Pte Ltd is a wholly owned subsidiary of The Bangchak Petroleum Public Company Limited (**Bangchak**)

Why Take Up Your Entitlement?

1	Highly Attractive Appraisal Opportunity	<ul style="list-style-type: none"> ▪ The Galoc-7/7ST will appraise the highly prospective GMA, an extension to the north of the Galoc Field with booked 2C Contingent Resources of 7.4 MMbbl (net to Nido)⁽¹⁾ ▪ The Galoc JV has voted to proceed with the appraisal well on 20 October 2016
2	Drilling Success Leads to a Phase III Development	<ul style="list-style-type: none"> ▪ A successful Galoc-7/7ST will result in the commencement of Phase III development studies in 2017 with FID planned for Q4 2017 and first production in 2019 ▪ The Galoc JV has a strong development track record. Phase II was a similar development which was delivered on-time and ahead of budget
3	Increase Reserves & Production	<ul style="list-style-type: none"> ▪ A successful development of the GMA will result in a material increase in both 2P Reserves and production
4	Extension of Field Life	<ul style="list-style-type: none"> ▪ Production at the Galoc Field is currently declining and based on Nido's proven reserve estimates is anticipated to become sub-commercial in 2019 ▪ A successful development of the GMA will potentially extend the Galoc Field until Q1 2027 based on current forecasts
5	Optimal Timing	<ul style="list-style-type: none"> ▪ There is a time 'window' in which the GMA needs to be drilled and developed before decommissioning of the Galoc Field and associated infrastructure ▪ If the Galoc infrastructure is abandoned, under current economic assumptions the JV would not seek to develop the GMA resources on a standalone basis due to the cost in doing so
6	BCPE Ownership	<ul style="list-style-type: none"> ▪ Nido's majority shareholder, BCPE, has provided an irrevocable commitment that it will take up its full pro-rata entitlement ▪ If other shareholders do not take up the Entitlement Offer, BCPE's level of control could significantly increase and lead to compulsory acquisition by BCPE

(1) Contingent Resources independently assessed by ODIN Reservoir Consultants Pty Ltd as referred to in the ASX Announcement dated 17 August 2016 (refer also to pages 15 and 18 of this presentation).

Renounceable Entitlement Offer

Key Terms

Offer Size and Structure	<ul style="list-style-type: none"> ▪ 11.2 for 1 pro-rata renounceable Entitlement Offer to raise gross proceeds of up to A\$31.9m (before costs) ▪ Up to 491.2 million new Nido ordinary shares (New Shares) to be issued (43.9 million shares currently on issue)
Offer Price	<ul style="list-style-type: none"> ▪ A\$0.065 per New Share representing: ⁽¹⁾ <ul style="list-style-type: none"> - 13.3% discount to the last closing price of A\$0.075 on 18 October 2016 - 22.0% discount to the one month volume weighted average price of A\$0.083 per share - 36.8% discount to the three month volume weighted average price of A\$0.103 per share
Ranking	<ul style="list-style-type: none"> ▪ New Shares will rank equally with existing Nido Shares
Offer Period	<ul style="list-style-type: none"> ▪ Eligible Shareholders will have 27 days in which to take up their Entitlement
Renounceable	<ul style="list-style-type: none"> ▪ The Entitlement Offer is renounceable and therefore Entitlements may be offered for sale on the ASX (if a viable market exists) or otherwise transferred ▪ Opportunity for Eligible Shareholders to realise value for any Entitlements not taken up
Top Up Facility	<ul style="list-style-type: none"> ▪ Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (Additional New Shares) at the Offer Price under the Top Up Facility
Shortfall Facility	<ul style="list-style-type: none"> ▪ Any shortfall between Applications received from Eligible Shareholders and the aggregate number of New Shares and Additional New Shares proposed to be issued under the Entitlement Offer is intended to be offered for sale under a shortfall facility (subject to market demand)
Use of Proceeds	<ul style="list-style-type: none"> ▪ Funds will be applied to the Galoc-7/7ST well programme and may also provide additional contingency for unbudgeted cost overruns associated with the well programme ▪ In the event that this contingency is not required, these funds will provide a small amount of working capital for post well analysis and, in the event of appraisal success, development planning

(1) Source: Bloomberg. Trading to 18 October 2016

Entitlement Offer Indicative Timetable



Event ⁽¹⁾	Date
Announcement of the Entitlement Offer	Friday 21, October 2016
Despatch notice to Shareholders	Monday 24, October 2016
Ex date and Entitlement trading commences	Wednesday, 26 October 2016
Record Date for eligibility in the Entitlement Offer (7pm)	Thursday, 27 October 2016
Offer Booklet despatched, Entitlement Offer opens	Wednesday, 2 November 2016
Entitlement trading ends	Tuesday, 22 November 2016
New Shares quoted on a deferred settlement basis	Wednesday, 23 November 2016
Last day to extend the Entitlement Offer closing date	Thursday, 24 November 2016
Entitlement Offer closing date (5pm)	Tuesday, 29 November 2016
Nido notifies ASX of under subscriptions	Friday, 2 December 2016
Shortfall allocations completed	Friday, 2 December 2016
Issue New Shares issued under the Entitlement Offer	Tuesday, 6 December 2016
Trading of New Shares on a normal settlement basis	Wednesday, 7 December 2016
Despatch of holding statements for New Shares	Friday, 9 December 2016

(1) All times and dates above refer to Australian Eastern Daylight Time (AEDT)

Changes to Capital Base



- Majority shareholder BCPE has committed to take up its Entitlement in full which will fully fund the budgeted well programme
- Funds raised will be applied to the Galoc-7/7ST well programme and any unbudgeted cost overruns or working capital for post well analysis and, in the event of success, development planning

Scenario	Maximum Take Up	High Take Up	90% Threshold	Minimum Take Up
% take up by existing and new shareholders	BCPE –Full Other shareholders – 100%	BCPE –Full Other shareholders – 75%	BCPE –Full Other shareholders – 43%	BCPE–Full Other shareholders – 0%
Nido shares currently outstanding	43,853,212	43,853,212	43,853,212	43,853,212
New shares issued via entitlement offer	491,155,974	468,131,138	438,659,346	399,056,627
Total Nido shares following completion of Entitlement Offer	535,009,186	511,984,350	482,512,558	442,909,839
BCPE % interest in Nido	81.25%	84.90%	90.09%	98.14%
Other Share % interest in Nido	18.75%	15.10%	9.91%	1.86%
Total equity raised ⁽¹⁾	A\$31.9m (US\$24.6m)	A\$30.4m (US\$23.4m)	A\$28.5m (US\$22.0)	A\$25.9m (US\$20.0)

Uses of Equity

Galoc-7/7ST Well	A\$24.0m (US\$18.5m)	A\$24.0m (US\$18.5m)	A\$24.0m (US\$18.5m)	A\$24.0m (US\$18.5m)
Unbudgeted cost overruns, post well analysis & costs of offer ⁽²⁾	A\$7.9m (US\$6.1m)	A\$6.4m (US\$4.9m)	A\$4.5m (US\$3.5m)	A\$1.9m (US\$1.5m)

(1) Equity raised before costs

(2) Nido estimates costs of the offer to be A\$0.6m

Note: Please refer to section 8.3 of the Offer Booklet for a more detailed summary of BCPE's intentions if its ownership exceeds 90%

Nido Overview

Nido Corporate Overview



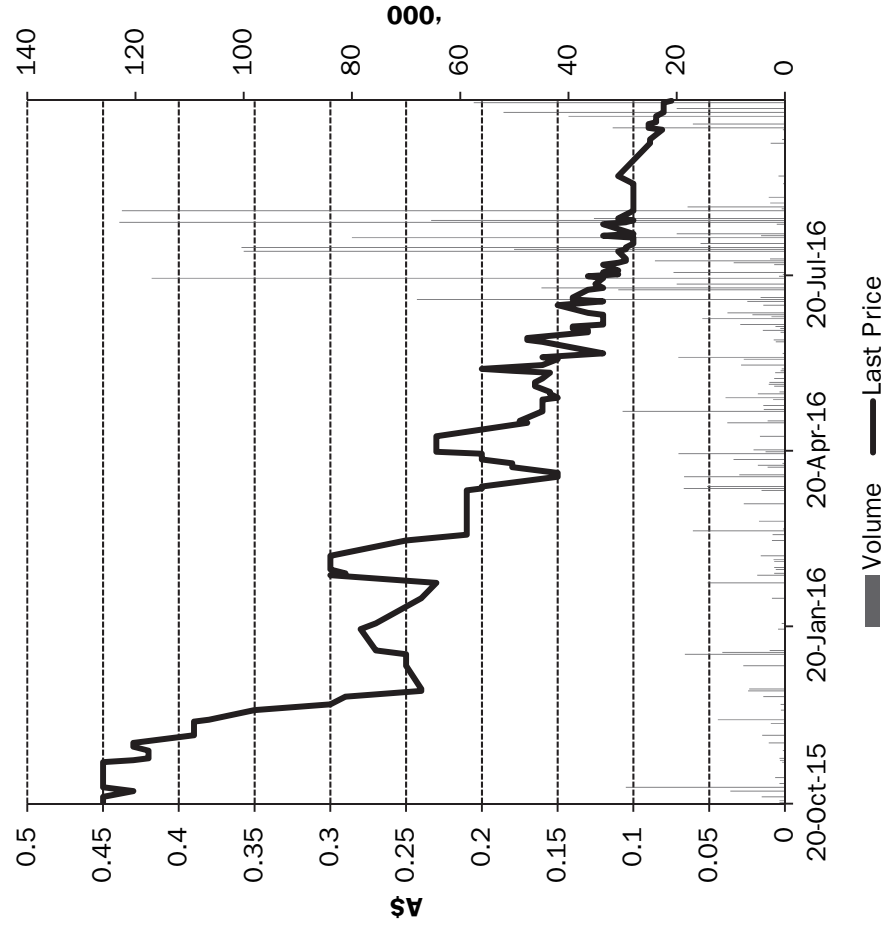
Capital Structure as at 18 October 2016

ASX code	NDO
Ordinary Shares	43,853,212
52-week Low-High (A \$ps)	A\$0.45 – 0.075
Market Capitalisation	A\$3.3M
Cash (30 September 2016)	US\$14.1M
Debt ⁽¹⁾ (30 September 2016)	US\$78.2M

Top 5 shareholders as at 18 October 2016

BCP Energy International Pte Ltd	81.25%
Citicorp Nominees Pty Ltd	1.25%
Navigator Australia Ltd <MLC Investment Sett A/C>	0.92%
Packwood Capital SA	0.78%
HSBC Custody Nominees (Australia) Limited	0.66%

Nido Share & Volume – 18 October 15 – 18 October 16



(1) Principal outstanding under the Facility Agreement between Nido and Bangchak

Nido Board

William Bloking

*B.Sc, Mech Eng
Non-Executive Chairman
Independent*



Chaiwat Kovavisarac

*B.Eng, M.Eng, M.B.A
Non-Executive Director
Non-Independent*



Dr Mike Fischer

*B.Sc, PhD
Managing Director*



Andrew Edwards

*B.Com
Non-Executive Director
Independent*



Vichien Usanachote

*B.Sc (Engineering), M.En
Non-Executive Director
Non-Independent*



Kraitit Nilkuha

*B.Sc, Mech Eng
M. Eng (Petroleum)
Non-Executive Director
Non-Independent*

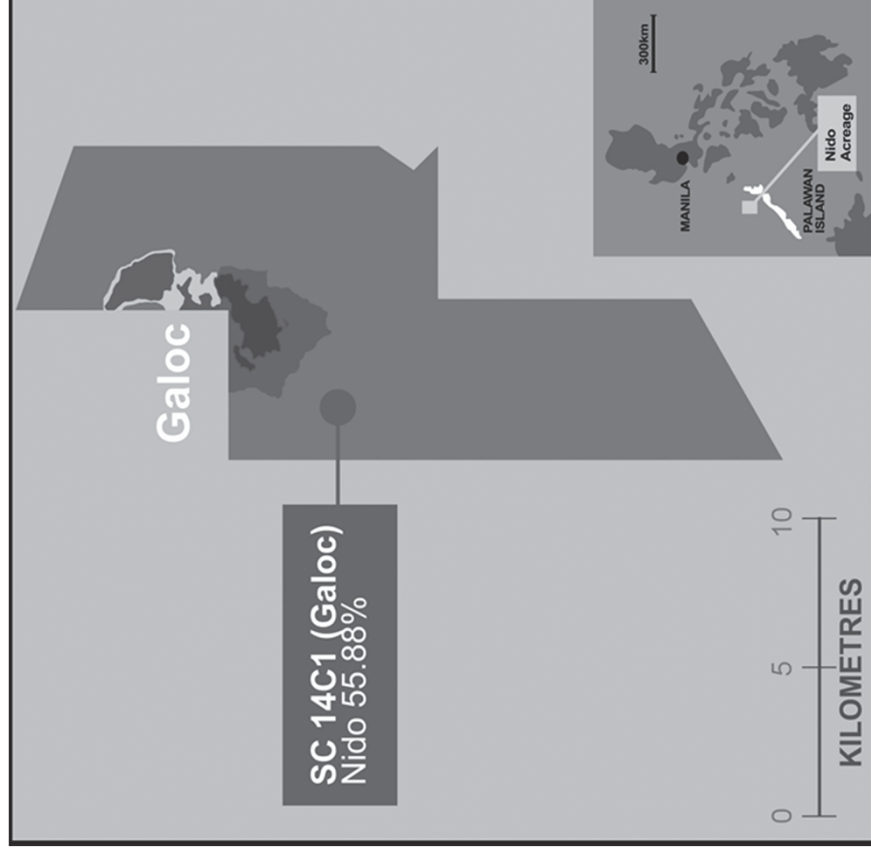


Galoc Field Overview

Galoc Field Highlights

Location	<ul style="list-style-type: none"> Located in Service Contract 14 (SC14C1), approximately 350 km southwest of Manila and 65 km northwest of Palawan Island
Water Depth	<ul style="list-style-type: none"> 250 – 600m
Tenure	<ul style="list-style-type: none"> SC14 expires on 17 December 2025
Facilities	<ul style="list-style-type: none"> Four Production Wells Floating Production Storage and Offloading Facility (FPSO)
Current Production	<ul style="list-style-type: none"> 5,079 bopd (2,838 bopd Net to Nido) average for Q3, 2016
Reserves & Resources	<ul style="list-style-type: none"> 1P – 2.65MMstb, 2P – 4.1MMstb⁽¹⁾ 1C – 3.3MMstb, 2C – 7.4MMstb⁽¹⁾
Joint Venture Partners⁽³⁾	<ul style="list-style-type: none"> Nido Petroleum (Operator)⁽²⁾ Kufpec Oriental Petroleum & Minerals The Philodrill Corporation Forum Energy

Asset Location



(1) Reserves estimates as at 31 December 2015 and Contingent Resources estimates as at 1 August 2016 (refer to slide 18 for further information)

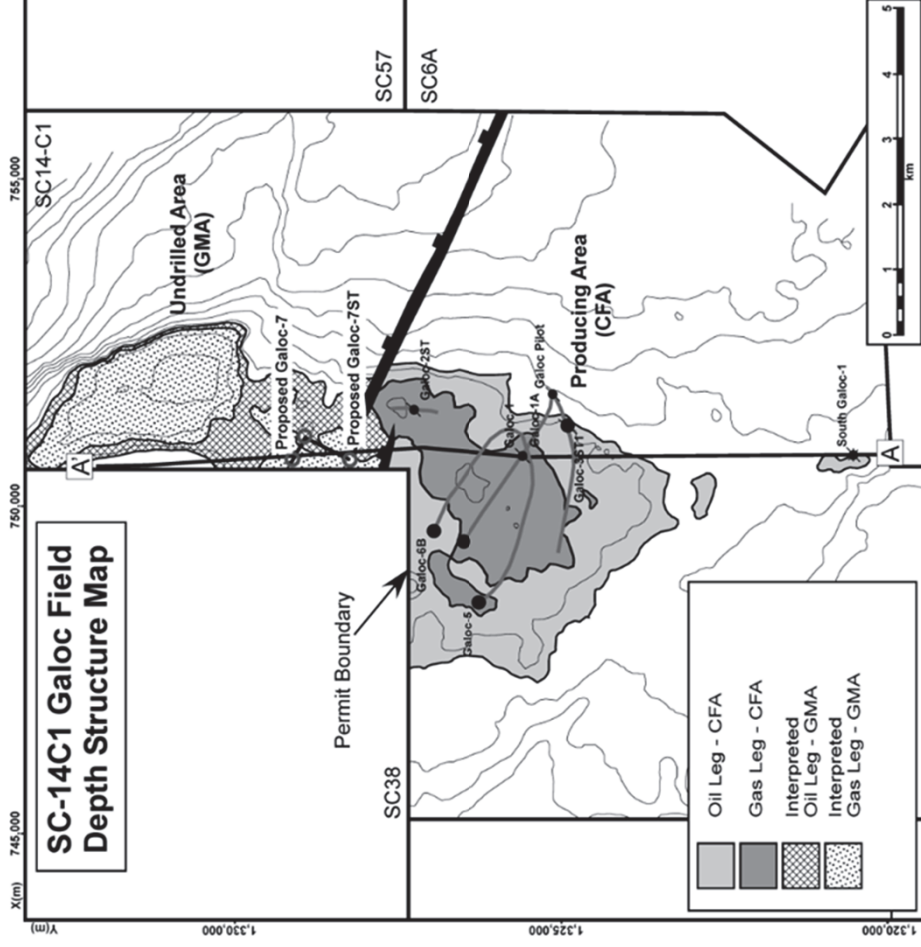
(2) Nido owns interest through Galoc Production Co. WLL (33%) and Nido Production (Galoc) Pty Ltd (22.87952%)

(3) Parent Companies Listed

Galoc Subsurface Overview

- 17.8 MMbbl has been produced from 4 wells in the Central Field Area (CFA) since production commenced in 2008
- Primary reservoir is sandstone of the Miocene aged Galoc Clastic Unit
- Geoscience studies indicate a potential extension of the field to the north into the Galoc Mid Area (GMA)
- The Galoc-7/7ST well will assess the viability of this extension
- Development of the GMA would materially increase both reserves and production as well as significantly extending commercial field life

Galoc Field Depth Structure Map



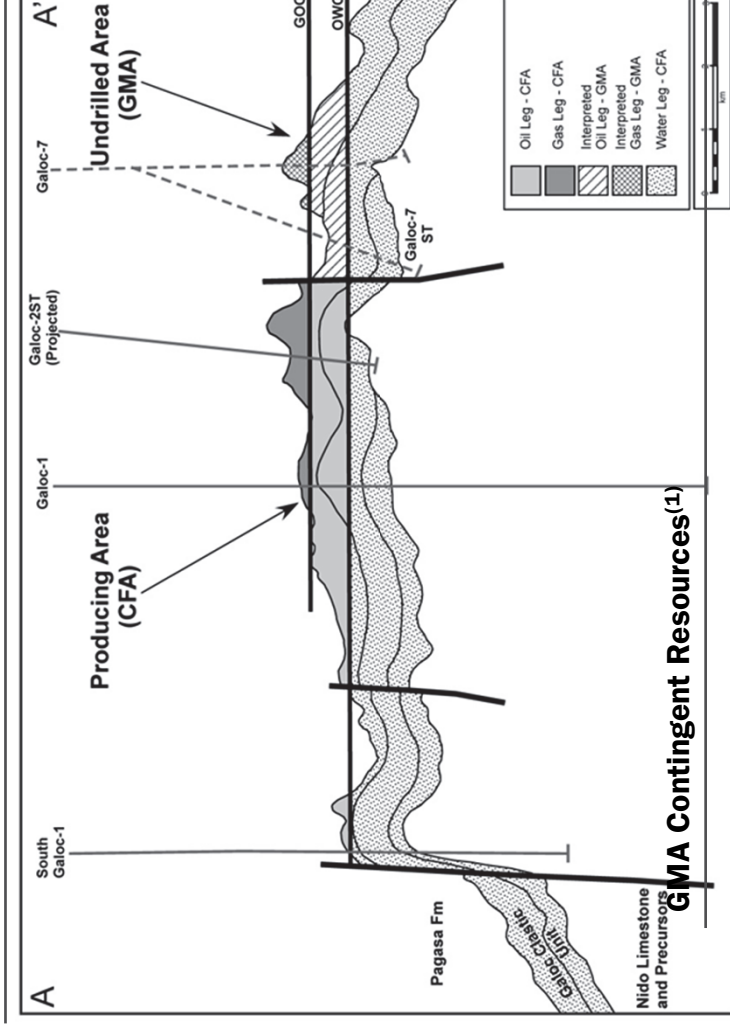
Galoc-7/7ST Well Overview

- The Galoc-7/7ST well design involves an initial semi-vertical well to fully assess the reservoir quality and hydrocarbon content in the GMA, followed by a potential side-track to the south (depending on the outcomes achieved by the initial well)

- The well objectives are as follows:

- To prove the reservoir quality and hydrocarbon content of the main reservoir in the GMA area
- To confirm the currently booked Contingent Resource estimates
- To provide the data which will allow an assessment of the commerciality of a potential Galoc Phase III development

Galoc-7/7ST Well Design



Galoc Contingent Resources⁽¹⁾

Contingent Resources (MMbbl)	100% Venture			Nido Share		
	1C	2C	3C	1C	2C	3C
Galoc	5.9	13.3	24.5	3.3	7.4	13.7

⁽¹⁾ Contingent Resource Estimates as at 1 August 2016 (refer to slide 18 for further information)

- A successful result from Galoc-7/7ST will result in the commencement of Phase III development studies in 2017 with a target FID in Q4 2017 and first production in 2019
- The Galoc JV has a strong development track record with Phase II development delivered on time and under budget
 - Phase II 2013 : Galoc-5 and -6 drilled with production rates returning to ~12,000 bopd
- A Phase III development would notionally include 1-2 horizontal wells tied-back to the existing Rubicon Intrepid FPSO facility via subsea flowlines and umbilicals
- The Rubicon Intrepid FPSO facility has excess oil processing capacity of 15,000 bopd
- Phase III development will use conventional technology which has been previously proven in the 2013 Phase II development
- A successful development of the GMA would result in a significant increase in production and reserves, substantially extending the commercial field life

FPSO Rubicon Intrepid



FPSO Facilities Summary

FPSO
▪ Length: 234m
▪ Breadth: 216m
▪ Processing Capacity: <ul style="list-style-type: none">— Fluid 44,000 bopd— Oil 20,000 bopd— Water 20,000 bopd— Gas 35 MMscfd
▪ Storage: double sided 400 kbbl

Shareholder Information



- Details on how to take up your Entitlement are contained in Section 6 of the Offer Booklet including whether you are eligible to take up your Entitlement
- All Eligible Shareholders appearing on the Nido share register as at 27 October 2016 (Record Date) will be sent documentation relating to the Entitlement Offer
- If you are an Eligible Shareholder, you may do any one of the following:
 - take up all or part of your Entitlement (refer to section 6.5 of the Offer Booklet);
 - sell part or all of your Entitlement (refer to section 6.6 of the Offer Booklet); or
 - do nothing (refer to section 6.7 of the Offer Booklet)
- Eligible Shareholders may, in addition to taking up their Entitlement in full, apply for Additional Shares in excess of their Entitlement. Additional Shares will only be available where there is a Shortfall
- Your Entitlement to participate in the Entitlement Offer is renounceable and therefore is tradeable on the ASX (if a viable market exists) or otherwise transferable
- Shareholders who do not satisfy the criteria set out in section 6.1 of the Offer Booklet are not eligible to participate in the Entitlement Offer (Ineligible Shareholders):
 - Shareholders whose registered address on the Nido register is not in Australia, New Zealand, Singapore, Switzerland or Hong Kong are Ineligible Shareholders
 - Nido has appointed a nominee for Ineligible Shareholders⁽¹⁾
- For further information in relation to the Entitlement Offer, please contact the Share Registry on 1300 850 505 toll free (Australia) or +61 3 9415 4000 (International)

(1) The Nominee will work with Nido to sell the Entitlements of Ineligible Foreign Shareholders and distribute any proceeds of sale (net of expenses and of any withholding required by law) proportionately to the Ineligible Foreign Shareholders

Reserves Information

- In accordance with ASX Listing Rule 5.44, the Company confirms:
 - that the reserves information contained in this document in relation to the Galoc Field is based on, and fairly represents, information and supporting documentation prepared by Gaffney, Cline & Associates under the supervision of Mr Stephen M. Lane. Mr Lane holds a B.Sc. (Hons.) degree in Geology, is a Technical Director of Gaffney Cline & Associates, is a member of the Society of Petroleum Engineers and has over thirty-five years' experience in the sector; and
 - that the contingent resources information in this document in relation to the Galoc Field is based on, and fairly represents, information and supporting documentation prepared by Odin Reservoir Consultants Pty Ltd under the supervision of Mr David Lim. Mr Lim holds a B.Sc. (Hons.) and M.Sc. (Petroleum Engineering) and is a Director of Odin Reservoir Consultants Pty Ltd, is a member of the Society of Petroleum Engineers and has over thirty years' experience in the sector
 - Neither Mr Lane nor Mr Lim are employees of the Company and Mr Lane and Mr Lim consented in writing to the inclusion of the hydrocarbon reserves and contingent resources information respectively in the form and context in which it appears in this presentation
 - The Reserves information in this presentation is a summary of the information presented in the Company's Annual Report and filed on the ASX on 15 March 2016
 - The Contingent Resources information in this presentation is a summary of the information presented in the Company's release to the ASX dated 17 August 2016
-

For all enquiries:

Phone:
 (within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000




NDO
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) Tuesday 29 November 2016**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between Wednesday 26 October 2016 and Tuesday 22 November 2016. Please refer to the Offer Booklet for details on how to renounce your rights.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Booklet dated Friday 21 October 2016.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Nido Petroleum Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Sale of your Entitlement rights in full by your Stockbroker/ Agent

If you wish to sell your rights entitlement in full, you should instruct your Stockbroker personally and provide details as requested, which appear overleaf.

DO NOT forward your requests for sale to Computershare Investor Services Pty Limited.

Disposal of your Entitlement rights held on the Issuer sponsored sub-register

A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from your Stockbroker or Computershare Investor Services Pty Limited.

Sale of your Entitlement rights in part by your Stockbroker/ Agent and take up the balance

If you wish to sell part of your Entitlement rights and take up the balance you should:

- Instruct your Stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Send the payment slip to Computershare Investor Services Pty Limited with your cheque, bank draft or money order payment **OR** make payment using BPAY, in order to take up the balance of your Entitlement rights.


Nido Petroleum Limited Renounceable Entitlement Offer
Payment must be received by 5:00pm (AEDT) Tuesday 29 November 2016

Entitlement and Acceptance Form with Additional New Shares

X 9999999991

I ND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678


Offer Details: Existing shares entitled to participate as at
Thursday 27 October 2016 :

Entitlement to New Shares
on a 11.2 for 1 basis:

Amount payable on full acceptance
at \$0.065 per New Share:

4,000
1
\$0.01

STEP 2 Make Your Payment

	Billers Code: 221960 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Nido Petroleum Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Tuesday 29 November 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Nido Petroleum Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Tuesday 29 November 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Nido Petroleum Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Nido Petroleum Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.065 per New Share: **A\$**



Entitlement No: 12345678

Payment must be received by 5:00pm (AEDT) Tuesday 29 November 2016

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14