

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Nido Petroleum Limited ('Nido')

ABN

65 086 630 373

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

| | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 491,155,974 as part of a pro-rata renounceable entitlement offer of 11.2 Shares for every Share held |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid Ordinary Shares |

+ See chapter 19 for defined terms.

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| 4 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes</p> |
| 5 | <p>Issue price or consideration</p> | <p>Six and one half cents per Share (6.5 cents)</p> |
| 6 | <p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Renounceable entitlement offering to finance Nido's participating interest share of the Galoc-7 appraisal well and, if required, an associated side track (Galoc-7/7ST) in Block C1 of Service Contract 14, offshore Philippines.</p> |
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>No</p> |
| 6b | <p>The date the security holder resolution under rule 7.1A was passed</p> | |
| 6c | <p>Number of +securities issued without security holder approval under rule 7.1</p> | |
| 6d | <p>Number of +securities issued with security holder approval under rule 7.1A</p> | |

+ See chapter 19 for defined terms.

| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | | | | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|-------------|-----------------|
| 6f | Number of +securities issued under an exception in rule 7.2 | | | | | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | | | | | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | | | | | |
| 7 | <p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | <p>6 December 2016</p> | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | <table border="1"> <thead> <tr> <th data-bbox="782 1489 1085 1523">Number</th> <th data-bbox="1085 1489 1378 1523">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="782 1523 1085 1753">535,009,186</td> <td data-bbox="1085 1523 1378 1753">Ordinary Shares</td> </tr> </tbody> </table> | Number | +Class | 535,009,186 | Ordinary Shares |
| Number | +Class | | | | | |
| 535,009,186 | Ordinary Shares | | | | | |

+ See chapter 19 for defined terms.

| | | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------|
| 9 | Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable) | Number 262,500 | ⁺ Class Retention Rights (refer to Annexure 2 for further details with respect to Retention Rights) |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | |

Part 2 - Pro rata issue

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| 11 | Is security holder approval required? | No | |
| 12 | Is the issue renounceable or non-renounceable? | Renounceable | |
| 13 | Ratio in which the ⁺ securities will be offered | 11.2 : 1 | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | Ordinary Shares | |
| 15 | ⁺ Record date to determine entitlements | 27 October 2016 | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A | |
| 17 | Policy for deciding entitlements in relation to fractions | Rounded up | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | Brunei Darussalam, Canada, China, Denmark, United Kingdom, Sri Lanka, Malaysia, Nauru, Romania, Thailand, USA, Vietnam and Vanuatu. | |
| 19 | Closing date for receipt of acceptances or renunciations | 29 November 2016 | |

+ See chapter 19 for defined terms.

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| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | Hartleys Limited |
| 23 | Fee or commission payable to the broker to the issue | \$50,000 Flat Fee as a management fee 6% of funds subscribed to paid as commission (capped at \$50,000, and excluding BCPE funds) |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | Nil |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | 1 November 2016 |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | 26 October 2016 |
| 29 | Date rights trading will end (if applicable) | 22 November 2016 |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | Eligible Shareholders who wish to sell their Entitlements in full on ASX must instruct their stockbroker personally and provide details as set out in the Offer Booklet and Entitlement and Acceptance Form |
| 31 | How do security holders sell <i>part</i> of their entitlements through a | Eligible Shareholders who wish to sell part of their Entitlements through a broker and accept the balance must: |

+ See chapter 19 for defined terms.

broker and accept for the balance?

- in respect of the part of their Entitlement being sold, instruct their stockbroker personally and provide details as requested from the Entitlement and Acceptance Form (allowing sufficient time for instructions to be carried out);
- in respect of the part of their Entitlement being taken up, complete and return the Entitlement and Acceptance Form in accordance with the instructions set out on the form, indicating the number of New Shares they wish to take up with the requisite Application Monies; and
- Ensure their completed Entitlement and Acceptance Form (together with the Application Monies) is received at the address specified in the Offer Booklet before the Entitlement Offer closes.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

An Eligible Shareholder who wishes to transfer all or part of their Entitlement to another person other than on ASX must complete the Entitlement and Acceptance Form in respect of any part of their Entitlements they wish to take up and forward the form together with the Application Monies, and a completed standard Renunciation and Transfer Form in favour of the transferee, to the Share Registry.

Eligible Shareholders may obtain a Renunciation and Transfer Form through their personal stockbroker or the Share Registry.

The completed Renunciation and Transfer Form, the Application Monies and the transferee's payment for the number of New Shares taken up must be received by the Share Registry no later than 5.00pm (AEDT) on 29 November 2016.

If either the buyer or seller is a CHES holder then the transfer and subsequent take up of the Entitlements will be managed

+ See chapter 19 for defined terms.

by the controlling participants(s), normally their stockbroker.

33 +Issue date

6 December 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

+ See chapter 19 for defined terms.

39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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| | Number | +Class |
|------------------------------------------------------------------------------------------------|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | | |

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 21 October 2016
(Director/Company Secretary)

Print name: John Newman, Company Secretary

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
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| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | |
| <p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | |
| “A” | |

+ See chapter 19 for defined terms.

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| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| “C” | |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | |
| Total [“A” x 0.15] – “C” | <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| “E” | |
| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | |
| Total [“A” x 0.10] – “E” | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.

Annexure 2

Managing Director Sign on and Retention Bonus

Dr. Michael Fischer was granted a Sign-on and Retention Bonus pursuant to the terms and conditions of his Employment Contract with the Company dated 30 June 2015.

The Sign-on and Retention Bonus provides for a grant of 350,000 fully paid ordinary shares in total issued in eight (8) equal tranches at six (6) month intervals commencing six (6) months after the commencement of employment (26 August 2015) subject to Shareholder approval first being obtained. Shareholder approval for the grant of the Retention Rights was received at the Company's Annual General Meeting held on 6 May 2016.

There are currently 262,500 Retention Rights outstanding with the next tranche due to vest on or around 26 February 2017.

The following information summarises the key terms of the Retention Rights:

- Each Retention Right will entitle Dr. Fischer to one Share in the Company subject to Dr. Fischer's ongoing employment by the Company. The Retention Rights are awarded at nil cost;
- If the Company terminates Dr. Fischer's employment contract without cause, Dr. Fischer is entitled to a maximum of 43,750 Shares in respect of any yet to be vested Retention Rights as at the date of termination of his employment;
- If Dr. Fischer resigns from the Company or is terminated for cause any yet to be vested Retention Rights will lapse;
- Each Retention Right is subject to the restrictions within the Listing Rules with respect to restructures of the Company's share capital;
- Retention Rights do not entitle the holder to participate in any entitlement offering or other offer that is available to Shareholders such as a share purchase plan; and
- Upon a Change of Control or Change in Status of the Company all of the Retention Rights granted to Dr. Fischer will vest.

A **Change-of-Control** occurs if an entity who, either alone or together with any person who is an associate of the person for the purposes of Chapter 6 of the *Corporations Act 2001*:

- does not have the capacity to control the composition of a majority of the Board of the Company; or
- is not in a position to cast, or Control the casting of, more than 50% of the maximum number of votes that might be cast at a General Meeting of the Company; or
- does not have a relevant interest in more than 50% of the issued share capital of the Company;

subsequently has the ability to do so.

A **Change-of-Status** occurs if:

- a takeover bid is made to the holders of fully paid ordinary shares in the Company;
- pursuant to an application made to the court, the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other companies under Part 5.1 of the *Corporations Act 2001*;
- the Company passes a resolution for voluntary winding up, or
- an order is made for the compulsory winding up of the Company.

Control means control as that expression is defined in Section 50AA of the *Corporations Act 2001*.

+ See chapter 19 for defined terms.