

Quarterly Report

For the period ending 30 September 2009

Nido Petroleum Limited (the "Company") is pleased to present its quarterly report for the three months ending 30 September 2009.

Operational Highlights

Galoc Operation and Production

- Oil production from the Galoc oilfield was down 41% on the previous quarter, due to adverse weather conditions.
- 2.83 million barrels (gross) of oil were produced from the Galoc field since start up to the end of the quarter.

Development and Exploration

- Tindalo development progressing to first oil early 2010 (subject to FID).
- Regulatory approval for Tindalo plan of development received from the Philippine DOE.
- Gindara Prospect upgraded to potential unrisked mean oil-in-place from 470 to 634 million barrels.
- Seabed coring and 3D seismic survey commenced on SC 58 and SC 63, respectively.

Financial Highlights

- Cash on hand at the end of the quarter of A\$12.2 million, (previously A\$9.1 million).
- Net cash flows from production assets of A\$8.0 million.
- Quarterly production and sales performance:

		September 2009 Quarter	June 2009 Quarter	Change %
Oil Production – Galoc Oil Field (net to Nido)	barrels	125,202	213,386	(41)
Liftings sold in quarter*	barrels	115,308	226,723	(49)
Revenue *	A\$M	10.2	13.2	(23)

* Revenue is subject to timing and payment conditions and may therefore not correspond to Liftings sold in the quarter

President's Comments on the Quarter


The Tindalo oil field development project continues to progress at a rapid pace and when completed will represent a significant milestone for Nido as its first operated production asset. Subject to the Joint Venture's final investment decision in the near term, the Tindalo oil field development will supplement the Company's existing revenue stream and, importantly, has the potential to provide significant cash flow to advance and mature Nido's portfolio of development and exploration prospects in the Palawan Basin in the Philippines.

Subsequent to the end of the quarter, Nido was able to successfully farmland 10% from its current 60% interest in SC 54A to Trafigura Ventures III B.V., one of the largest crude traders in the world. The consideration for Trafigura's 10% interest is US\$7.6 Million (~A\$8.4 million). The transaction reduces Nido's working interest in SC 54A to 50% and is subject to Philippine Government approval. Needless to say, Trafigura's farmin has added greater momentum to Nido's efforts in pushing for final investment decision on the Tindalo oil field development.

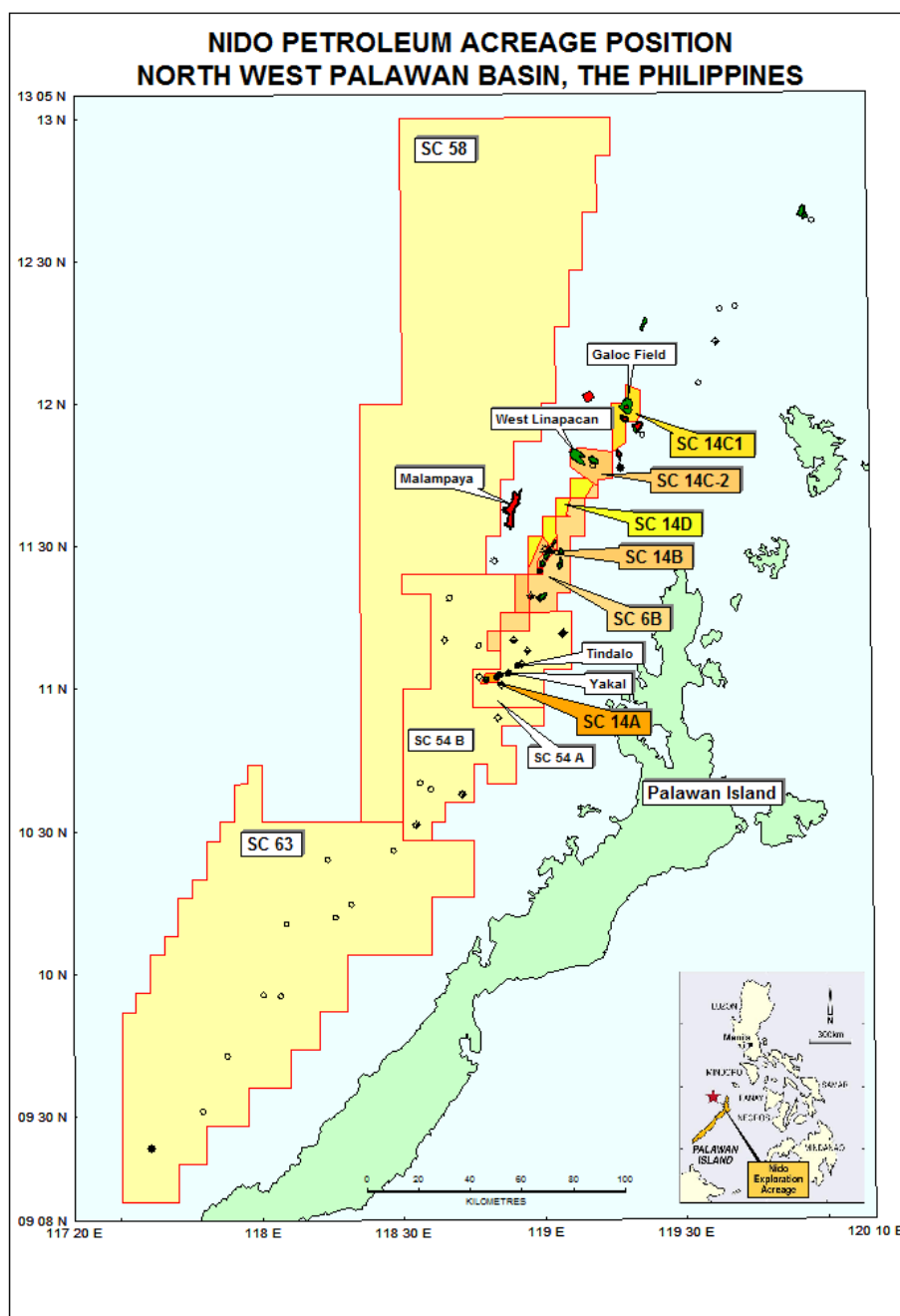
Also following the end of the quarter, the Galoc oil field reached yet another production milestone, having produced more than 3 million barrels of oil (gross) since start-up in October 2008. Moreover, oil prices increased from an average of around US\$59.60 per bbl the quarter previous to an average of over US\$68 per bbl in the last quarter. Three major storms entered the Philippine Area of Responsibility during September, two of which brought death and devastation to countless Filipinos. Fortunately, Galoc production continued during the passage of these storms.

I would therefore like to extend my thanks and heartfelt appreciation to all our staff in Manila and Perth, and some of our shareholders, for their contributions in time, effort, money and goods to the ongoing relief efforts in the Philippines following the devastation recently caused by these tropical storms. The teams in both offices have done a yeoman's job in providing help to families affected by these natural calamities.

Finally, exploration work continued during the quarter with an upgrade on oil-in-place numbers for the Gindara prospect in SC 54B, among others. We worked feverishly to complete preparations for the 3D seismic survey to be conducted in the southern portion of that block even as we continued to entertain interest from companies who have been following Nido's progress in its exploration portfolio.

A handwritten signature in black ink, appearing to read "Jocot de Dios".

Jocot de Dios
President & CEO
30 October 2009



Permit	Nido Interest (%)	Gross Area - hectares ('000)	Operator
Philippines – NW Palawan			
SC 14 Block A (Nido)	22.49	2	Philodrill
SC 14 Block B (Matinloc)	28.28	16	Philodrill
SC 14 Block C-1 (Galoc)	22.88	16	GPC
SC 14 Block C-2 (West Linapacan)	22.28	18	Philodrill
SC 14 Block D	31.42	17	Philodrill
SC 6B	7.81	55	Philodrill
SC 54A	60.00*	88	Nido
SC 54B	60.00	316	Nido
SC 58	50.00	1,349	Nido**
SC 63	50.00	1,067	PNOC
Total		2,946	

* Subsequent to the end of the quarter 10% working interest farmed out to Trafigura (subject to DOE approval).

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

Production Assets

Service Contract 14 C1 Galoc Oil Field – Production

- *Working Interest:* 22.879% (Non-operator)
 - *Field Operator:* Galoc Production Company (GPC)
 - *Water Depth:* 290-320 metres
 - *Discovered:* 1981
 - *Tertiary turbidite sandstone*
 - *Two wells, EWT plus three sidetracks for exploration and appraisal*
 - *First oil* October 2008
 - *Two horizontal production wells on-stream*
-

Production

During the quarter the field produced 547,223 barrels gross (125,202 net to Nido barrels), and since recommencing production on 13 August 2009 continued to produce at around 11,000 barrels of oil per day (2,500 barrels net to Nido).

Total production, since commencing operation in October 2008 to the end of the quarter, was 2.83 million barrels gross (633,981 barrels net to Nido). Subsequent to the end of the quarter the 3.0 million barrels production milestone was reached.

Development and Reserves

The Galoc Joint Venture continues to assess further facility and subsurface development options for Phase 2 of the Galoc oil field development. In support of these efforts, Nido has started an independent review of the developed reserves, the undeveloped reserves and any other remaining potential in the field. This updated reserves assessment of the Galoc oil field will incorporate performance data through to the end of September 2009 and is expected to be completed in early 2010.

Crude Oil Sales and Marketing

During the quarter, total crude oil volume of just over 539,350 barrels (115,308 barrels net to Nido) was offloaded from the FPSO.

The following cargoes were lifted from the Galoc FPSO facility during the quarter:

Cargo No.	Date	Destination	Total Gross Offtake Volume (bbl)
7	6 July 2009	Philippines	203,919
8	15 Sept 2009	Korea	335,431
TOTAL CRUDE OIL SALES			539,350

Equity Participants

Participant	Participating Interests (%)
Galoc Production Company WLL (Operator)	59.845
Nido Production (Galoc) Pty Ltd	22.879
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.785
The Philodrill Corporation	7.215
Forum Energy Philippines Corporation	2.276

Service Contract 14 A (Nido Oil Field) & B (Matinloc Oil Field)

Nido A & B – Production

- Working interest: 22.486% (Non-operator)
- Field Operator: The Philodrill Corporation
- Location: SC 14 block B in 43-73 m water depth
- Discovered: 1977, began production 1979
- Produced: Over 18 million bbl

Matinloc – Production

- Working interest : 28.283% (Non-operator)
- Field Operator: The Philodrill Corporation
- Location: SC 14 block B in 25 m water depth
- Discovered: 1978, began production 1983
- Produced: Over 12 million bbl

The Nido and Matinloc oil fields continued to produce on a cyclical basis. Oil production from the fields during the quarter totalled 7,054 barrels net to the Company (approximately 77 barrels of oil per day).

Participant	Nido Oil Field Participating Interests (%)	Matinloc Oil Field Participating Interests (%)
The Philodrill Corporation (Operator)	26.106	41.608
Nido Petroleum Philippines Pty Ltd	22.486	28.283
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	42.940	17.703
Forum Energy Philippines Corporation	8.468	12.406

Development Assets

Service Contract 54 Area 'A' – Tindalo Development Project

- *Working interest:* Nido 60% (Operator), Kairiki Energy 40%*
 - *Water Depth:* 80-115 metres
 - *Discovered:* 2008
 - *Wells:* 1 vertical well; 124-144m oil column – suspended as a future producer
 - *Reservoir:* pinnacle reef limestone structure
 - *Reservoir Depth:* 2000 metres (approx)
-

Tindalo Development

As announced on 7 September 2009, Nido received the necessary approvals, under the Plan of Development, from the Philippine Department of Energy. This is a significant milestone for the project and bodes well for the future development of Tindalo that the Philippine government is supportive.

Work in-house continues at a steady pace towards the final investment decision (FID) to be made by the SC 54A Joint Venture partners. Discussions with equipment and service providers have progressed and are now nearing completion. The FID deadline has been pushed back slightly from the original target of September, but Nido remains focused on maintaining and continues to work on the basis of, a scheduled first oil date of early 2010.

During the quarter an Environmental Impact Assessment for the Tindalo development and SC 54 as a whole was prepared and submitted to the Environmental Management Bureau of the Philippine Department of Environment and Natural Resources for review and approval.

Signal Head Bathymetry Survey

The Signal Head prospect trend in SC 54A and the Signal Head 2 discovery is not currently fully covered by 3D seismic. To enable 3D seismic acquisition in the future, a small pre-investment was made after the end of the quarter in a site survey to acquire bathymetry data over the area. This will allow Nido to accelerate planning for future 3D seismic and drilling on this prospective trend within SC 54A.

SC 54A Farmout to Trafigura

Subsequent to the end of the quarter, on 22 October 2009, Nido announced that it had entered into a farmout agreement with a subsidiary of Trafigura Pte Ltd (Trafigura) to farmout 10% of its interest in SC 54A (subject to regulatory approvals). Nido will receive a cash payment of US\$7.6 million (~A\$8.4 million) after which Trafigura will be responsible for its participating interest share of the development costs of the Tindalo oil field project and all subsequent costs in the Block. Under the terms of a separate crude oil marketing agreement, Trafigura's affiliate, Trafigura Pte Ltd, will market Nido's net share of the crude oil produced from SC 54A.

Equity Participants

Participant	Participating Interests (%)
Nido Petroleum Philippines Pty Ltd	60.0%*
Kairiki Energy Ltd	40.0%*

* Subsequent to the end of the quarter Nido and Kairiki farmed out 10% and 5% respectively to Trafigura.

Service Contract 14 C2 West Linapacan

- Working Interest: 22.279% (Non-operator)
 - Location: SC 14 Block C-2
 - Field Operator: Philodrill Corporation
 - Upper Eocene to Lower Miocene age fractured limestone
-

West Linapacan A

- Water Depth: 350 metres
- Discovered: 1990
- Wells: 3 vertical production wells with 4 sidetracks
- Production: 1992 to early 1996
- Peak Production Rate: ~18,000 bopd
- Cumulative Production: Over 8.5 million bbl

West Linapacan B

- Water Depth: 305 metres
 - Discovered: 1993
 - Wells: 1 vertical well
 - Test Production Rate: ~2,900 bopd
-

The Operator, Pitkin Petroleum, continues with the development studies in the West Linapacan block, including the interpretation of the recently reprocessed 3D seismic data. Delays in delivery of the seismic data have postponed the results from this work until early 2010.

Equity Participants

Participant	Participating Interests (%)
Pitkin Petroleum Plc	58.291
Nido Petroleum Philippines Pty Ltd	22.279
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.572
The Philodrill Corporation	7.018
Forum Energy Philippines Corporation	2.276
Alcorn Gold Resources Corporation	1.531
PetroEnergy Resources Corporation	1.034

Exploration Assets

Service Contract 54 – Area “B”

- Working Interest: Nido 60% (Operator), Kairiki Energy 40%
- Area: 314,335 hectares (3143 sq km)
- Water Depth: 30 metres to 1,300 metres
- Work commitment: Work commitments in current sub-phase completed; next commitment well in 2011

During the quarter the Gindara Prospect interpretation was completed using the Abukay 3D Pre Stack Depth Migration (PSDM) seismic volume. Gindara is now the leading prospect in the SC 54 Block B inventory and in Nido’s NW Palawan Prospects and Leads Inventory (refer Figure 1).

SC 54 B Location Map

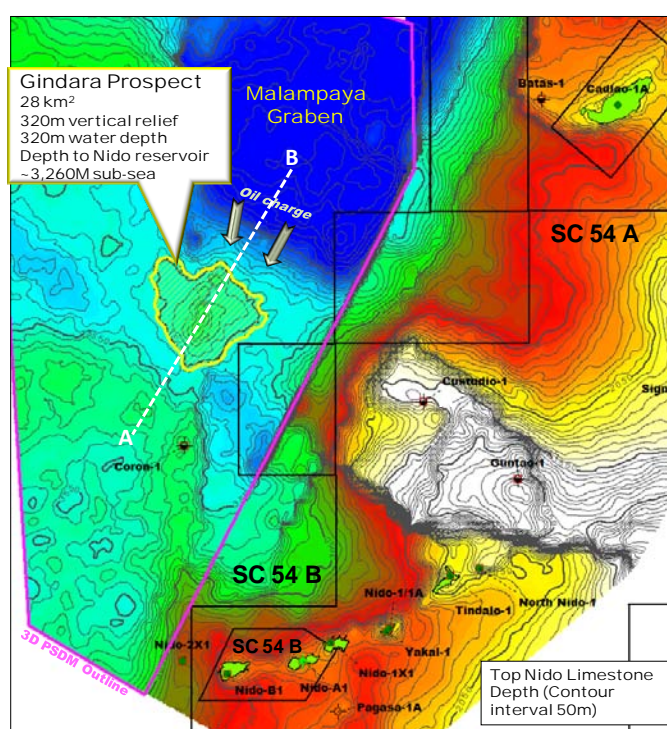
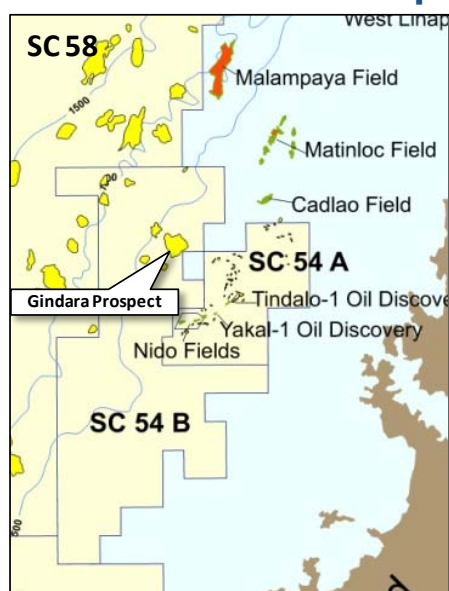


Figure 1: Prospect Location

The previous Gindara interpretation was based on a conventional time migrated 3D seismic volume which had delineated Gindara as a large structural closure at the Top Nido Limestone stratigraphic level. The SC 54B Joint Venture reprocessed the 3D survey data as a Pre-Stack Depth Migrated 3D volume (PSDM) to improve certainty on the structure’s size and the distribution of effective reservoir within the mapped closure.

The PSDM processing was undertaken by CGGVeritas using their world-class specialists. The resulting PSDM volume was of excellent quality, achieving significant improvement in image resolution resulting in a high confidence interpretation summarised below:

- The areal extent of the Gindara closure at the Top Nido Limestone objective has increased from 11 km² to ~28 km² with a vertical closure in excess of 300 meters.
- Gindara is now defined as a very large, simple four-way closure at the Top Nido Limestone primary objective. Trap risk is considered low, having markedly improved as a result of the PSDM interpretation.

- The greatly enhanced 3D image quality has enabled detailed internal mapping of the Nido Limestone reservoir distribution within the Gindara closure not previously possible on the original processing.
- Internal reservoir heterogeneities including the presence of local reefal build-ups are now discernible within the structure, providing greater confidence in the distribution of effective reservoir within the trap and importantly a better estimate of potential oil-in-place volumes. Reservoir risk has been substantially reduced as a consequence.
- The PSDM processing has further reduced charge and migration risk into the Gindara structure by improving the definition of the area of oil generation and migration that is thought to have charged the structure. This area extends to the north-east where mature source rocks located in the adjacent Malampaya Graben would have generated hydrocarbons. The Malampaya Graben is flanked by numerous oil and gas discoveries including the Malampaya field (>500 million barrels of oil equivalent) which is operated by Shell Philippines Exploration B.V. and is approximately 30 kilometres to the north of Gindara.

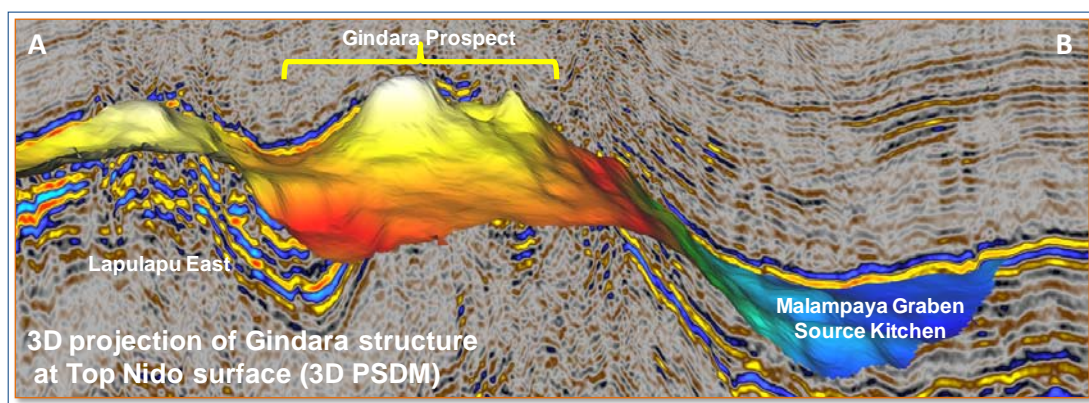
Revised Gindara Prospect Volumetrics

The increased closure and better constrained internal reservoir distribution has resulted in a material increase in oil-in-place estimates for Gindara (summarised below). Probabilistic assessment has resulted in unrisked mean oil-in-place (OIP) for the Nido Limestone reservoir of 634 million barrels. The unrisked upside potential (P10) is approximately 1 billion barrels.

Gindara	P90	P50	P10	Mean
OIIP (MMbbls)	292	581	1,022	634

Further upside is recognised in secondary, higher risk reservoirs at the shallower Miocene and deeper Pre-rift stratigraphic sections, both of which would likely be tested through the drilling of the Gindara prospect.

Gindara is now considered substantially de-risked following completion of the PSDM work and revised volumetrics. The prospect represents an outstanding high potential/low risk candidate to be drilled in SC 54B.



Gindara Prospect – Seismic x-section

Following completion of the Gindara prospect, subsurface work over the next quarter will focus on finalizing the remainder of the Prospects and Leads Inventory using the PSDM 3D seismic volume including the shallower Miocene play fairway.

Service Contract 58

- *Working Interest:* Nido 50% (Operator during farm in), PNOC-EC 50%
- *Area:* 1,348,747 hectares (13,487 sq km)
- *Water Depth:* 500 metres to 2,000 metres
- *Work commitment:* January 2009 to June 2010 Exploration Well (Sub Phase currently in process of being extended – refer below)

Tendering for the planned sea-bed coring and multi-beam program in 2010 was completed during the quarter. Bids are currently being evaluated and the award for this project is expected to be made in October.

This will greatly assist the SC 58 Joint Venture in selecting which of the currently high-graded deepwater prospects could be the Sub Phase 3 drilling candidate. Operational activity is scheduled to commence in the December 2009 quarter with the main acquisition phase being planned for the March quarter of 2010.

Sea-bed coring is an industry recognised exploration technique used to detect hydrocarbon seepage from the subsurface and is a proven hydrocarbon charge de-risking tool in deepwater basins such as SC 58. Detection of hydrocarbons in cores collected from multiple seabed cores is indicative that an active petroleum system exists within the subsurface, consequently reducing charge risk and assisting in the selection of the lowest risk prospect for drilling. Core locations will be selected by integrating charge modeling, seismic interpretation and multi-beam bathymetry data.

During the quarter, subsurface work continued to mature the large outboard prospects, namely Balyena, Butanding and Dorado. These studies include multiple-horizon regional mapping, revised charge modeling and reservoir studies to identify porous carbonate reservoirs over these outboard prospects. The Abukay 3D PSDM seismic volume acquired in adjacent SC 54B has provided beneficial data on the relationship between areas of potentially good quality Nido Limestone carbonate facies development and its seismic response. This important information will be used to further mitigate reservoir risk in the deeper water prospects.

Service Contract 63

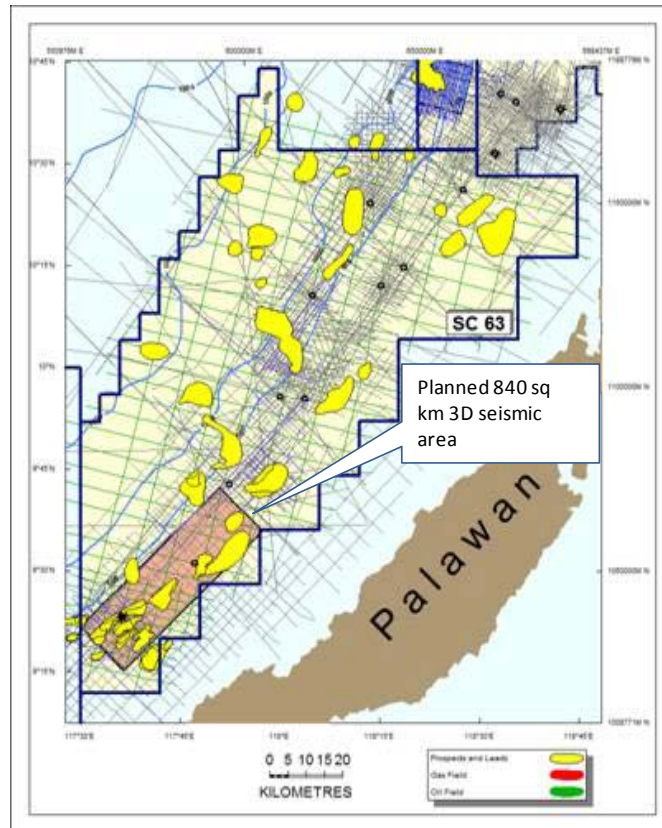
- *Working Interest:* Nido 50%, PNOC-EC 50% (Operator)
- *Area:* 1,067,317 hectares (10,671 sq km)
- *Water Depth:* 500 metres to 1,000 metres
- *Work commitment:* November 2008 to May 2010 – 200sqkm 3D seismic data (subject to DOE approval)

During the quarter, the SC 63 JV agreed to acquire an 840 sq km 3D seismic survey over the southern sector of the block, centered over the Aboabo A-1X well which discovered gas in Miocene-aged sandstones (Philips, 1981). As a prelude to the 3D seismic operations, the SC 63 Joint Venture acquired a modern bathymetric survey over the planned 3D survey area. Shallow shoals and reefs characterise this part of the SC 63 area so it was important modern bathymetric data was used to safely plan the 3D operations rather than relying on old, potentially unreliable Admiralty charts.

Subsurface work using the East Sabina 2D seismic has delineated the Aboabo play as representing a significant exploration opportunity with multiple leads identified along trend from the Aboabo structure in a variety of trap types associated with the complex thrust tectonics which characterize the geology in this block. A key element of the 3D seismic program is to provide better definition of the Aboabo structure leading to a clearer understanding of its resource potential. In addition to the Miocene play, a number of potentially large structures are mapped at the deeper Nido Limestone stratigraphic level, many of which directly underlie closures mapped at the Miocene play level.

The complex geology in SC 63 requires 3D seismic in order to further de-risk structure, trap geometry and reservoir distribution within the Miocene and mature the leads to prospect level ready for drilling.

During the quarter, the SC 63 JV completed the tendering process and selected PGS Asia Pacific Pte Limited (PGS) to acquire the 3D seismic program. At the time of this report, the 3D seismic vessel MV 'Orient Explorer' had mobilized to the survey area and was preparing to commence acquisition. The survey is anticipated to run for approximately 40 days.



SC 63: 3D seismic acquisition area

Corporate

Financial

Nido's cash on hand increased during the quarter by A\$3.1 million primarily due to steady increases in oil price pertaining to the cargoes sold from the Galoc oil field and continued reduction in general administration costs.

The Company's cash flows for the quarter included:

- Net cash inflows from crude oil sales of A\$8.0 million which predominately relate to the Galoc oil field, offset by:
 - Increase in working interest in the Galoc project of 0.6% to 22.879% (A\$0.5 million);
 - Exploration expenditure of A\$0.7 million primarily relating to development studies for the Tindalo Development (SC 54), ongoing seismic reprocessing relating to SC 14-C1, SC 58 and SC 63 and subsurface studies relating to SC 14-C2;
 - Payment of quarterly interest relating to the Merrill Lynch convertible bond of A\$0.6 million;
 - Quarterly tax payment of A\$0.5 million relating to production from the Galoc oil field; and
 - Administration expenses for the quarter totalling A\$2.3 million, in line with the previous quarter and within Nido's target to reduce general and administration costs in 2009.

The following table summarises Nido's cash and debt position:

	30-Sep-09	30-Jun-09
Cash at end of quarter	A\$12.2 million	A\$9.1 million
Financing facilities available: Convertible Bond ⁽¹⁾	A\$25.2 million US\$22.0 million	A\$27.3 million US\$22.0 million

(1) No change has occurred to the underlying debt repayable which is USD\$22 million due to be fully repaid by September 2011, assuming that the convertible notes are not previously redeemed or converted. The exchange rate used to convert the USD debt to AUD is 0.87 at 30 September 2009 and 0.80 at 30 June 2009.

Shareholders

As at 30 September 2009, the Company had 5,986 shareholders on its registry. The top 20 shareholders were:

As at 30 June 2009	Total Units	% Issued Capital
1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	124,432,111	11.84
2. J P MORGAN NOMINEES AUSTRALIA LIMITED	108,830,771	10.36
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	60,544,880	5.76
4. ANZ NOMINEES LIMITED (Cash Income A/c)	51,650,024	4.92
5. ESCOT FINANCE LTD	48,400,000	4.61
6. NEFCO NOMINEES PTY LTD	24,722,539	2.35
7. L WHITBY	18,527,500	1.76
8. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	18,269,100	1.74
9. CITICORP NOMINEES PTY LIMITED	15,111,481	1.44
10. BOOM SECURITIES (HK) LTD	11,534,450	1.10
11. NATIONAL NOMINEES LIMITED	8,403,855	0.80
12. W D GOODFELLOW	8,000,000	0.76
13. H MCFARLANE MARTIN	7,900,000	0.75
14. J M MORAZA & A MORAZA	6,968,627	0.66
15. MARMULLA GENERAL PTY LTD	5,310,000	0.51
16. BREMERTON PTY LTD <The Bartlett Family Fund A/c>	5,300,000	0.50
17. FORTIS CLEARING NOMINEES PTY LTD	5,076,716	0.48
18. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,902,511	0.47
19. MESSARA INVESTMENTS PTY LTD <Messara Family A/C>	4,500,000	0.43
20. CENTAUR OIL SERVICES PTY LTD <Centaur Investments A/C>	3,820,998	0.36

In accordance with the notices issued to the ASX, Nido's substantial shareholders as at 30 September 2009 were:

Shareholder	Total Units	% Issued Capital
Oppenheimer International Small Company Fund	86,000,000	8.18%
Ward Ferry Management (BVI) Limited (as Investment Manager)	61,917,000	5.89%

Nido had 1,050,814,774 quoted fully paid ordinary shares on issue as at 30 September 2009.

For further information on Nido's activities, please go to www.nido.com.au or contact the Company's President and CEO, Jocot de Dios at (08) 9474 0000 or via email at nido@nido.com.au.

Nido Information

Nido Petroleum Limited is an oil and gas exploration and production company with over 2,945,000 hectares (29,450 sq km) of contiguous exploration and development assets in the North West Palawan Basin in the Philippines. Nido is a leading explorer in the North West Palawan basin and the company's exploration portfolio extends across balance of both shallow (<100m) and deepwater (>1,200m) sectors of the North West Palawan continental margin which provides it with a diverse range of potential exploration and development projects in the Philippines premier producing basin. Nido operates SC 54A (*50% interest), SC 54B (60% interest) and SC 58 (50% interest). Nido has a 50% non-operated interest in SC 63.

Nido's core producing asset is the Galoc oil field of which Nido has a 22.879% non-operated interest. Galoc lies within SC 14 in 300 metres of water, some 60 km offshore Palawan Island. First production commenced 9 October 2008 through a simple two-well sub-sea development concept tied back to a moored FPSO.

In 2008, Nido completed a successful two well exploration program in SC 54A which resulted a 100% strike rate yielding the Yakal-1 and Tindalo-1 oil discoveries. Nido is planning to augment Galoc production by fast-tracking the development of the Tindalo field with first production planned for early 2010.

*Subject to DOE approval of Nido's farm-out of 10% interest to Trafigura

Directors

William Bloking	Non-Executive Chairman
Jocot de Dios	President and CEO
David Whitby	Non-Executive Director
Vince Pérez	Non-Executive Director
Eduardo Mañalac	Non-Executive Director

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Share Registry

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Stock Exchange Listing

The Company's securities are listed on the official list of the Australian Securities Exchange Limited.

ASX Code: NDO

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NIDO PETROLEUM LIMITED

ABN

65 086 630 373

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	10,242	30,698
1.2 Payments for		
(a) exploration and evaluation	(717)	(4,408)
(b) development	-	(1,496)
(c) production	(2,261)	(14,746)
(d) administration	(2,316)	(7,512)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	89
1.5 Interest and other costs of finance paid	(586)	(1,885)
1.6 Income taxes paid	(481)	(481)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	3,887	259
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(553)	(553)
(b)equity investments	-	-
(c) other fixed assets	(17)	(29)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	(8)	1,030
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(578)	448
1.13 Total operating and investing cash flows (carried forward)	3,309	707

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	3,309	707
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	(11)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	(11)
	Net increase (decrease) in cash held	3,309	696
1.20	Cash at beginning of quarter/year to date	9,128	12,273
1.21	Exchange rate adjustments to item 1.20	(258)	(790)
1.22	Cash at end of quarter	12,179	12,179

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	189
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

*Represents salary and consulting fees paid to directors, including CEO.

Non-cash financing and investing activities

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

Nil

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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	25,203	25,203
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,246
4.2 Development	1,109
Total	5,355

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11,423	8,377
5.2 Deposits at call	756	751
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	12,179	9,128

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	SC 14-C1 Acquisition of additional 0.6% of Galoc development	22.279%	22.879%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	1,050,814,774	1,050,814,774	-	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	1 (Maximum 114,307,091 ordinary shares on conversion)	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	See Attachment 1		<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	3,000,000	3,000,000	0.25	17 July 2009
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Attachment 1 – Unlisted Options (as at 8 September 2008)

Code	Number of Options	Exercise Price	Expiry Date
NDOAD	2,500,000	25 cents	16 November 2009
NDOAE	375,000	25 cents	14 December 2009
NDOAF	2,500,000	25 cents	18 January 2010
NDOAG	500,000	25 cents	15 February 2010
NDOAH	800,000	25 cents	20 April 2010
NDOAJ	2,000,000	40 cents	6 July 2010
NDOAL	1,200,000	40 cents	3 October 2010
NDOAN	3,600,000	40 cents	26 October 2010
NDOAR	1,800,000	40 cents	22 February 2011
NDOAI	1,200,000	40 cents	19 March 2011
NDOAT	3,000,000	35 cents	12 May 2011
NDOAT	5,000,000	40 cents	12 May 2011
NDOAT	2,000,000	45 cents	12 May 2011
NDOAT	2,000,000	50 cents	12 May 2011
NDOAK	550,000	55 cents	17 June 2011
NDOAQ	1,950,000	55 cents	8 September 2011
Total	30,975,000		