

23 July 2009

Australian Securities Exchange Limited  
Company Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

### **Nido to undertake Sea-bed coring/multi-beam program in deepwater block SC 58**

Nido Petroleum Limited (Nido) is pleased to advise that the Philippine Department of Energy (DOE) has approved the Service Contract (SC) 58 Joint Venture's application to acquire a deepwater sea-bed coring and multi-beam program ahead of the SC 58 Sub Phase 3 well commitment.

In order to complete the acquisition, processing and interpretation of the sea-bed coring and multi-beam program ahead of the Sub Phase 3 well commitment, the DOE has also granted the SC 58 Joint Venture an eighteen month extension to the sub phase. Consequently, Sub Phase 3 will now extend through to 11 January 2012.

Following subsurface integration of the 2006 Talusi 2D and 2007 Kiaw 2D/3D seismic surveys, a large deep water Prospect and Lead inventory has been delineated in the block in water depths ranging from 1,000 to 1,500 metres. To enable the SC58 Joint Venture to decide on the best drilling candidate within the block, a sea bed coring program has been proposed to further reduce hydrocarbon charge risk in the deep water.

Sea-bed coring is an offshore exploration technique used to detect hydrocarbon seepage from the subsurface and is a proven hydrocarbon charge de-risking tool in deepwater basins. Detection of hydrocarbons in cores collected from multiple sea-floor sites is indicative that an active petroleum system exists within the subsurface, consequently reducing charge risk and assisting in the selection of the lowest risk prospects for drilling. In tandem with the sea-bed coring program, a high resolution multi-beam survey will be acquired which will be used to aid in accurately locating the sea-bed cores.

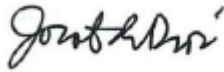
Operational activity is scheduled to commence in the December 2009 quarter with the main acquisition phase being planned for the March 2010 quarter.

Nido's President and Chief Executive Officer, Jocot de Dios said "We are very pleased that the DOE supports and has approved these beneficial enhancements to the SC 58 work program. Importantly, the work program changes are aligned with Nido's strategy to continue to mature its significant NW Palawan asset base within the current economic environment. We are likewise keen to continue working with our partner PNOC-EC to progress this program and generate a better, more comprehensive understanding of the basin.

The sea-bed coring and multi-beam program 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" he concluded.

SC 58 is located in the NW Palawan basin approximately 40 km offshore from Palawan Island, Philippines. SC 58 lies immediately adjacent to the giant Malampaya gas field (3.1 Tcf).

Yours faithfully



**Jocot de Dios**  
President & CEO

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**About Nido Petroleum Limited**

Nido Petroleum Limited is an oil and gas company with over 2,945,000 hectares (29,450 sq km) of exploration and development assets in the North West Palawan Basin in the Philippines.

Nido's core production asset includes a 22.879% interest in the Galoc oil field. Galoc lies within SC14 in 300 metres of water, some 60 km offshore of Palawan Island. The Galoc reservoir is some 2,200 metres below the sea floor and first production commenced 9 October 2008.

Just as Galoc started flowing oil, Nido has completed drilling in the neighbouring exploration assets (SC 54) resulting in two new oil discoveries at Yakal and Tindalo, a 100% strike rate that punctuates a drought of over 14 years in the Philippines. Nido intends to fast-track the Tindalo development targeting first oil early 2010.

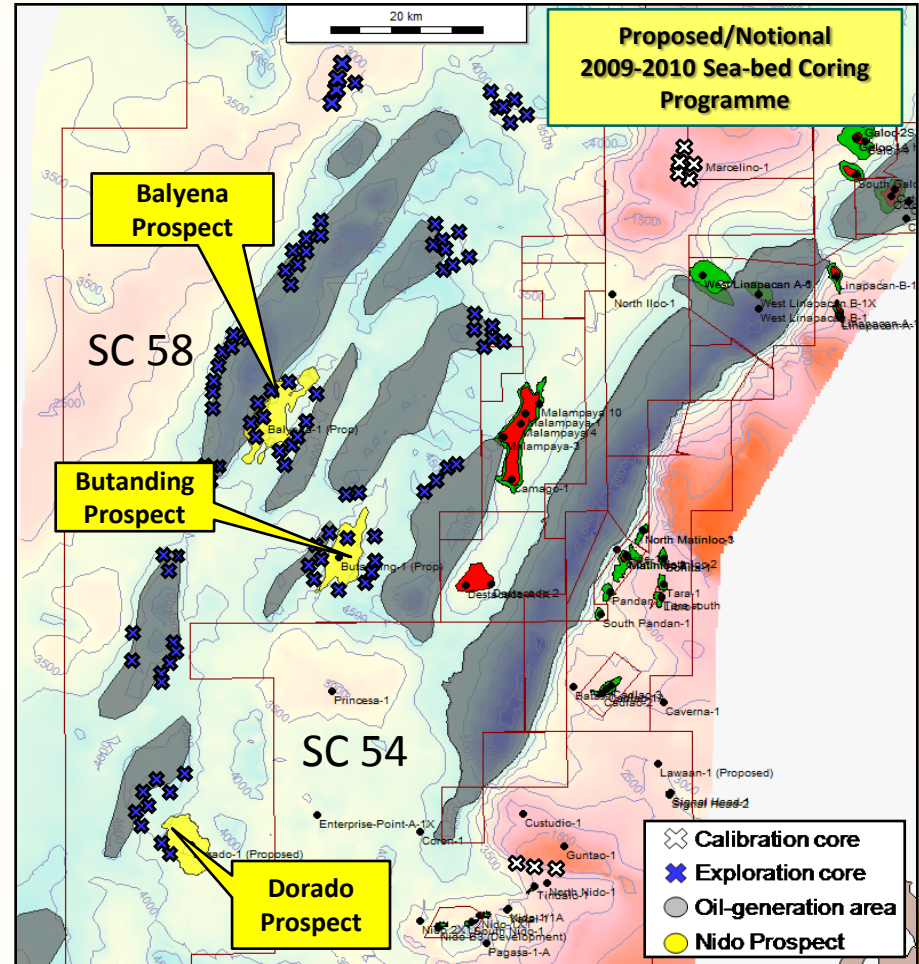


# Exploration:

# SC 58

## Summary

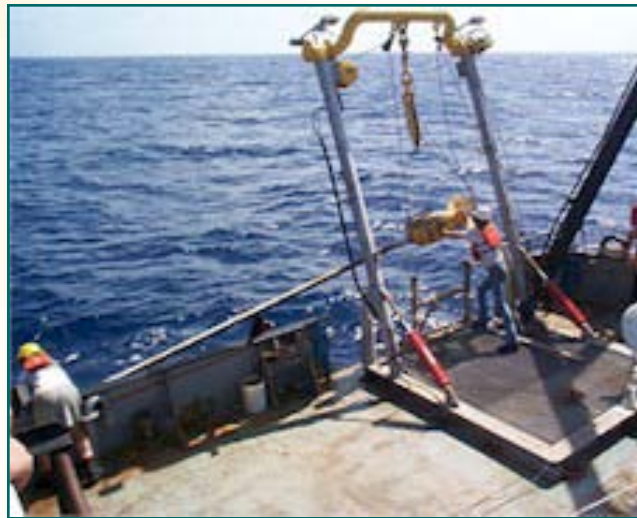
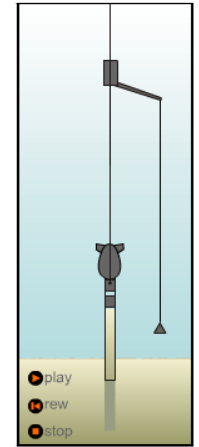
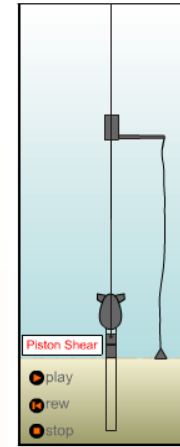
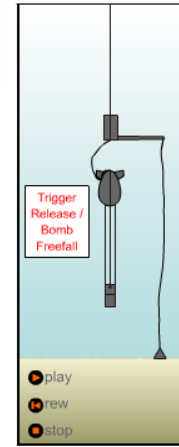
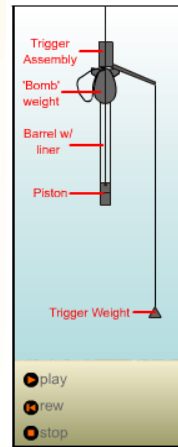
<b>NIDO WI:</b>	50% (operator) subject to completing farm-in
<b>CURRENT ACTIVITY:</b>	Sea-bed coring and multi-beam project (Q4 2009 - Q1 2010)
<b>WELL COMMITMENT:</b>	By January 2012
<b>STATUS:</b>	
<b>Drilling Candidates</b>	<ul style="list-style-type: none"> <li>• 3 large prospects           <ul style="list-style-type: none"> <li>○ Butanding</li> <li>○ Dorado</li> <li>○ Balyena</li> </ul> </li> <li>• 12 other drilling candidates provide excellent follow-up on success</li> </ul>
<b>P &amp; L Maturation</b>	
<b>Key Risk</b>	<ul style="list-style-type: none"> <li>• Hydrocarbon charge in deepwater</li> </ul>





## Exploration:

# What is Seabed Coring?



## 🔥 In search of DHI's\*



\* Direct Hydrocarbon Indicators