

26 October 2010

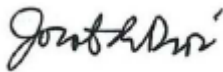
Australian Securities Exchange Limited
Company Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Galoc Operations Update

Nido Petroleum Philippines Limited (ASX: NDO) (“Nido”) provides the following report received from the Operator, Galoc Production Company WLL (“GPC”) in relation to the recent disconnection due to inclement weather.

Nido will provide further information as it becomes available.

Yours sincerely



Jocot de Dios
CEO & President

SC 14 C1 Working Interests

| Company | Working Interest |
|---|------------------|
| Galoc Production Company WLL (Operator)* | 59.845% |
| Nido Production Galoc Pty Ltd | 22.879% |
| Orient Petroleum and Minerals Corporation and Linapacan Oil Gas and Power Corporation | 7.785% |
| The Philodrill Corporation | 7.215% |
| Forum Energy Philippines Corporation | 2.276 |

* Otto Energy owns 31.4% of Galoc Production Company WLL

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Galoc Field – Temporary Suspension of Production

Galoc Production Company (“GPC”) advises that production from the Galoc oil field offshore the Philippines has been shut-in following Typhoon ‘Megi’. Rubicon Offshore International (“ROI”), the owner and operator of the FPSO conducted an emergency disconnection from the mooring and riser system during rough weather.

Mobilisation of a support vessel and equipment is underway and the vessel is expected to arrive in the field next week. Its first task will be to ascertain what damage has occurred to the mooring and riser system and then undertake repairs that may be necessary, followed by assisting with reconnection of the mooring and riser system to the FPSO. It is expected that it will take several weeks at least to recommence production.

GPC advises that the 2010 production target of 2,240,000 bbls has already been exceeded with approximately 2,400,000 bbls produced to date. There are currently 248,000 bbls of crude oil in the FPSO tanks with the next offload scheduled for mid November.

GPC will provide a further update as information becomes available.

Additional Notes

General Information

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km north west of Palawan in the Republic of the Philippines. The development involved the construction of two subsea completed horizontal production wells, with extended reservoir contacts, tied back to a Floating Production Storage and Offloading ("FPSO") facility via a short seabed pipeline and mid water riser system. Most likely oil reserves as estimated at time of commitment to the development in 2006, is approximately 10 million barrels. The reserves estimate and requirement for additional wells and facility capacity will be reassessed following an analysis of results from initial field production performance.

The participating interests in the Galoc Field are as follows:

| Participant | Participating Interest % |
|---|--------------------------|
| Galoc Production Company W.L.L. ¹ (Operator) | 59.84473 |
| Nido Petroleum Philippines Pty Ltd | 22.87952 |
| Oriental Petroleum & Minerals Corporation/ Linapacan Oil Gas & Power Corporation | 7.78505 |
| The Philodrill Corporation | 7.21495 |
| Forum Energy Philippines Corporation | 2.27575 |

Galoc Production Company is owned by;

| | |
|---------------------|-------|
| Vitol Group | 68.6% |
| Otto Energy Limited | 31.4% |

Further information on GPC and the Galoc Field can be obtained from:

- GPC's website www.galoc.com
- via email, at enquiry@galoc.com
- or by contacting
 - Jax Mariano
Tel: +63 918 9109581