

26 May 2011

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

Convertible Note Conversion

Nido Petroleum Limited ("Nido", ASX: NDO) is pleased to announce the receipt of a conversion notice in relation to the Merrill Lynch International (Australia) Limited Convertible Note requesting conversion of 80.3733 Bonds totalling US\$1,302,269.50 into fully paid Ordinary Shares at a conversion price of AU\$0.08 per share.

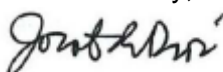
Based on the applicable USD-AUD exchange rate on the Conversion Date, Merrill Lynch (Australia) Nominees Pty Limited will receive fifteen million three hundred and forty one thousand and thirty two (15,341,032) fully paid Ordinary Shares for a total consideration of US\$1,302,269.50 or AU\$1,227,282.54.

Under the terms of the Convertible Note, Nido is required to issue the relevant shares no later than three business days following receipt of the conversion notice. Nido intends to seek quotation of the shares on Friday, 27 May 2011 at which time an Appendix 3B will be lodged.

Nido will not be seeking security holder approval in relation to the proposed issue as the Convertible Note was previously approved by Shareholders at the Annual General Meeting held on 20 April 2007.

Please refer to Appendix 3B announcement dated 1 September 2006 for a summary of terms.

Yours sincerely,



Jocot de Dios
Chief Executive Officer