

Quarterly Report

For the period ending 31 March 2011

Nido Petroleum Limited (the "Company") is pleased to present its quarterly report for the three months ending 31 March 2011.

Operational Highlights

Galoc and Tindalo Operations

- Gross oil production from the Galoc field was 651,551 bbls (149,072 bbls net to Nido), up 47% from the quarter ending 31 December 2010 ('December 2010 quarter') as a result of improved uptime.
- Two cargoes totalling 706,038 bbls of oil (161,538 bbls net to Nido) were lifted from the Galoc field during the quarter.
- Uptime for Galoc was 98% compared to 61% for the December 2010 quarter.
- A cargo of 73,420 bbls of oil (31,130 bbls net to Nido) from the Tindalo field comprising the remaining crude oil inventory aboard the FSO Tove Knutsen was sold to buyers in Singapore.
- Demobilisation of the Aquamarine Driller and the FSO Tove Knutsen was completed during the quarter.

Exploration

- SC 54B – The deepwater semi-submersible rig Atwood Falcon was contracted to drill the Gindara-1 well; the Philippine Department of Energy (DOE) approved the Gindara-1 Drilling Program; and the Gindara well is currently expected to spud in mid-May.
- SC 58 – The DOE approved a 12 month extension to Subphase 3 to enable Nido to undertake further technical work prior to the Company having to make the decision to drill the commitment well.

Corporate & Financial Highlights

- Cash on hand at the end of the first quarter of AUD \$7.6 million (AUD \$24.2 million as at 31 December 2010).
- Debt relating to the Merrill Lynch Convertible Note reduced to USD \$3.1 million as at 31 March 2011 (USD \$9.2 million as at 31 December 2010).
- Quarterly lifting and sales performance:

	Qtr 1 2011	Year-to-date 2011	Previous Qtr Q4 2010	% change on previous Qtr
Volumes - Lifted & Sold				
Service Contract 14 :				
Galoc oil field – net to Nido	161,538	161,538	54,901	194%
Nido & Matinloc oil fields – net to Nido	8,770	8,770	10,133	(13)%
<i>Subtotal: Service Contract 14</i>	170,308	170,308	65,034	162%
Service Contract 54A :				
Tindalo oil field – net to Nido	31,130	31,130	Nil	100%
TOTAL VOLUMES LIFTED & SOLD	201,438	201,438	65,034	210%
Sales Revenue – AUD \$ MM				
Proceeds from sale of crude oil by Service Contract :				
Service Contract 14	7.8	7.8	10.7	(27)%
TOTAL CASH INFLOWS FROM CRUDE OIL SALES *	7.8	7.8	10.7	(27)%

* Revenue is subject to timing and payment conditions and may therefore not correspond to lifting's sold in the quarter. No revenue was received from either the second cargo lifted at Galoc or the residual crude lifted from the Tindalo oil field during the quarter.

CEO's Comments on the Quarter

Dear Shareholder,

In the first quarter of 2011 the Company completed abandonment activities at Tindalo whilst accelerating the pace of the Gindara-1 drilling campaign. The Galoc field performed strongly with improved uptimes and the Company continued to seek strategic farm-out opportunities for its acreage.

Production

Galoc

Uptime for the quarter was 98%, a significant increase from 61% during the December 2010 quarter. Total gross oil production during the quarter was 651,551 bbls (149,072 bbls net to Nido), and there were two liftings totalling 706,038 gross bbls of oil (161,538 bbls net to Nido). The average gross production for the quarter was 7,239 bopd and as at the end of the quarter 6.92 million bbls of oil had been produced from the field.

A new prospect, Galoc North, is being assessed by Nido within the context of a Phase 2 development. The Joint Venture is also considering a proposal to upgrade the existing Mooring and Riser System.

Tindalo

Abandonment of the Tindalo-1ST 1 well was completed in January 2011 with the demobilisation of all project equipment from the Service Contract area. The Tove Knutsen FSO was demobilised to Singapore where it delivered the final cargo of Tindalo crude.

A complete review of the Tindalo project is currently being undertaken with a view to applying the lessons learned from this campaign to any future developments that the Company pursues.

Exploration

In SC 54B, the deepwater semi-submersible rig Atwood Falcon was contracted to drill the Gindara-1 well and the Department of Energy (DOE) approved the Gindara-1 Drilling Program. The well is currently expected to spud in mid-May.

In SC 58, a 12 month extension to Sub-Phase 3 was approved by the DOE during the quarter. Nido intends to undertake a seismic inversion and Amplitude Versus Offset (AVO) project over the leading prospects within the block.

Corporate and Financial Highlights

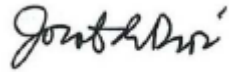
From a year-end cash balance of AUD \$24.2million, the Company's cash on hand at the end of the quarter stood at AUD \$7.6 million.

The reduction in the cash balance was due largely to non-recurring expenditures from the Tindalo abandonment and demobilisation activities (AUD \$11.6 million) coupled with the fact that whilst there two liftings from the Galoc field during the quarter, proceeds from the second lifting (USD \$8.3 million) were received in early April and proceeds from the residual sale of crude oil onboard the Tove Knutsen (USD \$3.0 million) were also received after the quarter's end.

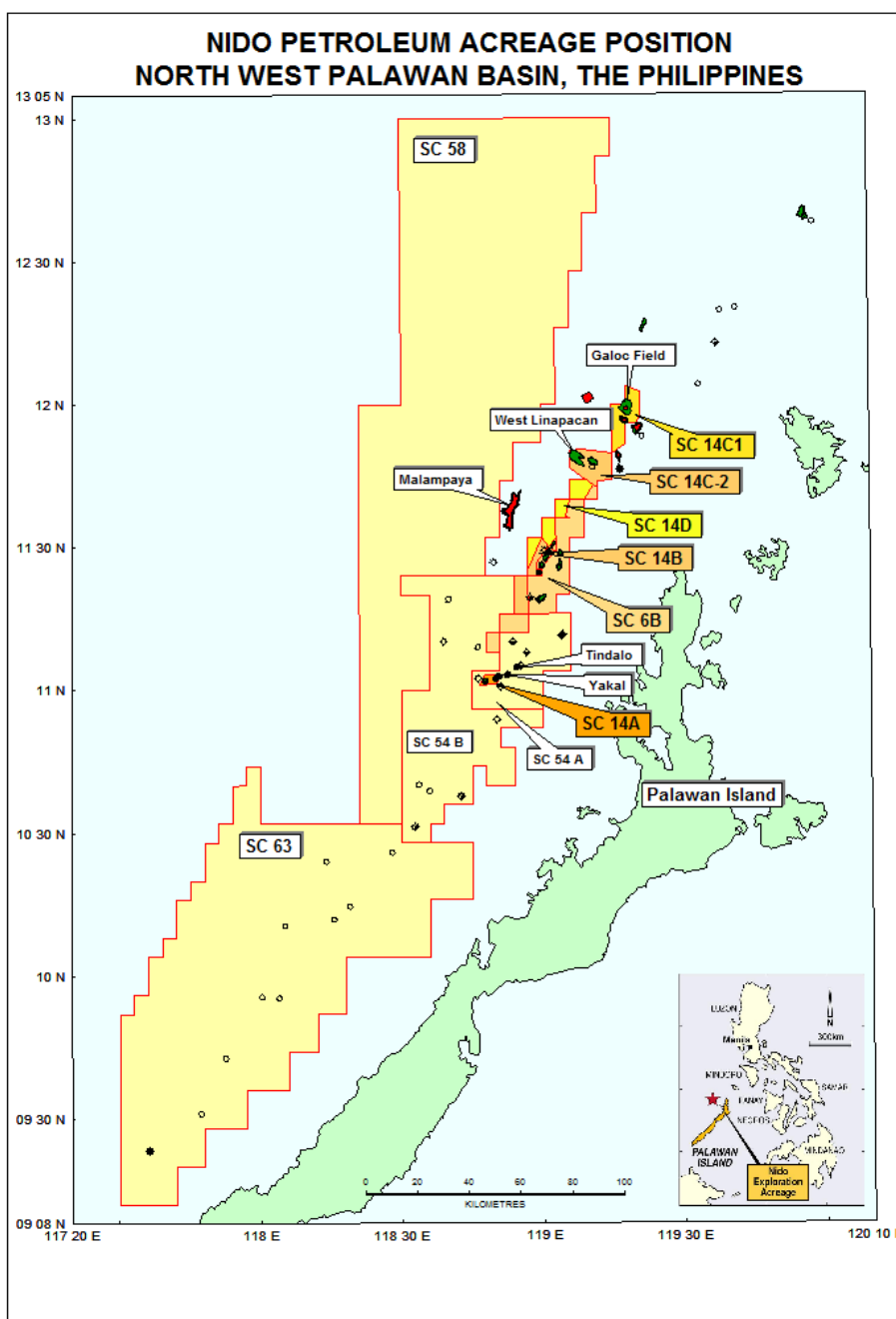
Debt relating to the Merrill Lynch Convertible Note was reduced to USD \$3.1 million as at 31 March 2011 (USD \$9.2 million as at 31 December 2010) following repayments by the Company and conversions by Merrill Lynch.

The second quarter promises to be an active and exciting period for the Company with the drilling of the Gindara-1 well, the planning for at least one well in SC63, and farm-out activities in our other blocks.

Yours sincerely

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

Jocot de Dios
Chief Executive Officer
28 April 2011



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	42.4	88	Nido
SC 54B	33.00	316	Nido
SC 58	50.00	1,349	Nido*
SC 63	50.00	1,067	PNOC-EC
Total		2,944	

* 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

Uptime performance in the field was very good during the quarter resulting in gross oil production of 651,551 bbls of oil (149,072 bbls net to Nido) at the average rate of 7,239 bopd (1,656 bopd net to Nido). The Galoc closing oil in tank inventory as at 1 January 2011 was 303,023 stb. Total gross oil production since the start of operations in October 2008 to the end of the quarter has been 6.92 million bbls (1.57 million bbls net to Nido).

Development and Reserves

During the quarter Nido completed its internal review of the Galoc North prospect. Nido plans to review this work with the Galoc Joint Venture. The Galoc Joint Venture also continued to assess proposals to further improve oil production which includes upgrading the current Mooring and Riser System.

Crude Oil Sales and Marketing

During the quarter, 706,038 bbls of crude oil (161,538 bbls net to Nido) were lifted from the field. The following cargoes were lifted from the Galoc FPSO vessel during the quarter:

Cargo No.	Date	Destination	Total Gross Offtake Volume (bbls)
19	11 Jan 2011	SK, Ulsan Korea	352,335
20	2 Mar 2011	Caltex, Korea	353,703
TOTAL CRUDE OIL SALES			706,038

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

- *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 bbls

Matinloc – Production

- *Field Operator:* The Philodrill Corporation
 - *Location:* SC 14 block B in 25 m water depth
 - *Discovered:* 1978, began production 1983
 - *Produced:* Over 12 million bbls
-

The Nido and Matinloc oil fields continued to produce on a cyclical basis. Gross oil production from these fields during the quarter totalled 29,949 bbls of oil (7,246 bbls net to Nido).

Equity Participants

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

- *Water Depth:* 80-115 metres
 - *Discovered:* 2008
 - *Wells:* 1 vertical well; 135-140m oil column – Extended Well Test (Completed)
 - *Reservoir:* pinnacle reef limestone structure
 - *Reservoir Depth:* 2000 metres (approx)
-

Production and Crude Oil Lifting

During the quarter, the remaining gross inventory of 73,420 bbls of oil (31,130 bbls net to Nido) was lifted.

Cargo No.	Date	Destination	Total Gross Offtake Volume (bbls)
2	2 February 2011	Singapore	73,420
TOTAL CRUDE OIL SALES			73,420

Tindalo Demobilisation

Abandonment of the Tindalo-1ST 1 well was completed in January 2011 with the demobilisation of project equipment (including the Aquamarine Driller rig and Tove Knutsen FSO) from the Service Contract area.

Other Studies

Nido is undertaking a thorough review of the Tindalo project including a consideration of lessons learned. These lessons will be applied to any future development activities that Nido and/or the SC54A Joint Venture may decide to pursue in the future.

Equity Participants

Participant	Participating Interests (%)
Nido Petroleum Philippines Pty Ltd – Operator	42.4%
Yilgarn Petroleum Philippines Pty Ltd, (Kairiki, ASX: KIK)	30.1%
Trafigura Ventures III BV (Trafigura)	15.0%
TG World (BVI) Corporation (TG World)	12.5%

Service Contract 14 C2 West Linapacan

- Location: SC 14 Block C2
 - Field Operator: The 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 bbls

West Linapacan B

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

During the quarter, Operator Pitkin Petroleum continued with the development studies in the West Linapacan block. The Operator has also advised that it is seeking approval from the DOE to transfer a 29.145% interest in SC 14C2 from Pitkin Petroleum plc to a third party.

Equity Participants

Participant	Participating Interests (%)
Pitkin Petroleum Plc	58.291
Nido Production (Galoc) 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 33% (Operator), Yilgarn Petroleum Philippines Pty Ltd 22%, Shell Philippines Exploration B.V. 45%
 - *Area:* 316,393 hectares (3163 sq km)
 - *Water Depth:* 30 metres to 1,300 metres
 - *Work commitment:* Geological and Geophysical Studies to value of USD \$150,000; commitment well in 2011 (Gindara)
-

The deepwater semi-submersible rig, the Atwood Falcon, was contracted during March for the drilling of the Gindara-1 well. The rig, which is currently working offshore Sabah, is expected to arrive at the Gindara-1 location in or around mid-May. The Gindara well was to be drilled originally by the deepwater Noble Phoenix rig, but the opportunity arose to utilize the Atwood Falcon which operated for Shell in the region in 2010 and was considered very well suited to the work scope by the Joint Venture.

Planning for the Gindara-1 exploration well continued in earnest throughout the quarter. The focus of this work has been to complete HSSE documentation, logistics and detailed well planning. The majority of third party contracting has been completed and workboats for the rig have been contracted. A Drill-on-Paper exercise with all third party contractors was held in Singapore in February.

In March, the DOE approved the Gindara-1 Drilling Program. In the next quarter Nido will be focusing on ensuring all permitting is completed to allow the rig to transit between Malaysia and the Philippines for the drilling of the well in May.

Interpretation of the 2D data in the southern portion of the permit has also continued during the quarter. This work, which is based on vintage 2D seismic, has identified a number of potential leads at top Nido limestone stratigraphic level which will be further matured in the coming months.

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 January 2013; Seabed coring survey (completed) and 1 exploration well
-

Following integration of the sea-bed coring results, the focus of technical work during the quarter has been on a further detailed review of the internal reservoir architecture of the reservoir targets in the main Balyena, Butanding and Dorado prospects.

This has resulted in the Joint Venture agreeing to undertake a seismic inversion and Amplitude Versus Offset (AVO) project to further de-risk reservoir uncertainty. Tendering for the project is being finalised. The project will take up to 12 months to complete and will assist the Joint Venture in further de-risking the Nido and Miocene reservoir objectives with respect to porosity and potential fluid types.

To accommodate the seismic inversion and AVO project, Nido secured approval from the DOE for a 12 month extension to Sub-Phase 3. Sub-Phase 3, which carries a one well commitment, will now end on 11 January 2013.

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:* *Work commitments in current sub-phase completed (800 sq km 3D seismic)*
-

Detailed seismic interpretation of the Kawayan 3D data continued over the quarter. Preliminary results emerging from the 3D interpretation are encouraging with a number of new leads identified across a range of play types. These include hanging wall anticlines, sub-crop traps and toe-thrust anticlines within the objective Miocene stratigraphic section.

Subsequent to the end of the quarter, the SC 63 Joint Venture elected to enter Sub-Phase 2b which commences in May 2011. This Sub-Phase contains a commitment well which must be drilled before November 2012. Nido is targeting a drilling window between December 2011 and March 2012 and is now actively preparing for the drilling campaign.

Corporate & Financial

Cash flow

Nido's cash on hand reduced during the quarter by AUD \$16.6 million to AUD \$7.6 million. Of note:

- Cash inflows from crude oil sales of AUD \$7.8 million in the quarter, of which AUD \$7.6 million was from one lifting from the Galoc field and the remaining AUD \$0.2 million from the Nido and Matinloc fields;
- Cash outflows from production operations in Service Contract 14 relating to the Galoc and the Nido and Matinloc oil fields of AUD \$5.8 million;
- Non-recurring cash outflows from the Tindalo field in Service Contract 54A of AUD \$11.6 million, which relate to production operations, well work-over expenditure and abandonment of the field;
- Cash outflows for exploration activities of AUD \$0.8 million, predominantly relating to pre-drilling planning activities in SC54B for the Gindara-1 well;
- Quarterly interest and debt principal repayment on the Merrill Lynch Convertible Note totalled AUD \$4.2 million; and
- Administration costs for the quarter totalled AUD \$2.0 million, which relates to general overheads for the Perth and Manila offices.

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

	31-March 2011	31-Dec-10
Cash at end of quarter	AUD \$7.6 MM	AUD \$24.2 MM
Convertible Bond ⁽¹⁾	AUD \$3.0 MM USD \$3.1 MM	AUD \$9.0 MM USD \$9.2 MM

¹⁾The exchange rate used to convert the USD debt to AUD was 1.0309 at 31 March 2011 and 1.0163 at 31 December 2010.

Debt – Convertible Note

During the quarter the outstanding debt relating to the Merrill Lynch Convertible Note reduced by USD \$6.1 million to USD \$3.1 million outstanding. The Company paid USD \$3.5 million (AUD \$3.4 million) in debt principal repayments in March 2011, and Merrill Lynch converted a total of USD \$2.6 million worth of Notes during the quarter.

Note that the maximum number of shares remaining that can be issued on conversion of the Notes as at 31 March 2011 was 24,379,746 at a strike price of AUD \$0.08. Thus, should Merrill Lynch fully convert prior to the expiry of the Notes in September 2011, proceeds of AUD \$1.95 million will be received and applied against any debt outstanding on the Notes.

Nido has a scheduled repayment in the 2nd quarter of 2011 of USD \$2.0 million.

Subsequent to Quarter End

Subsequent to the end of the 1st Quarter of 2011 and as at the date of this report, the following events have occurred:

- Proceeds of USD \$8.3 million from Galoc cargo number 20 lifted and sold in March 2011 (second lifting during the quarter) were received in early April 2011;
- Proceeds of USD \$3.0 million from the final Tindalo lifting were received in early April 2011;
- Galoc lifted and sold cargo number 21 in April 2011, with proceeds to be received in May 2011;
- PNOC-EC has also agreed to extend the period in which the Company is required to make its decision to elect to drill the commitment well pursuant to the terms of the Farm-in Agreement for SC 58. The Company now has until 11 January 2012 to decide whether it intends to drill the well or not (the previous deadline was the end of April 2011).
- Nido's Board approved the Company's entry into the next Sub-Phase of its SC 63 exploration program which includes the drilling of a commitment well with Joint Venture partner, PNOC Exploration Corporation, not later than November 2012.

Shareholders

As at 31 March 2011, the Company had 7,341 shareholders on its registry. The top 20 shareholders were:

As at 31 March 2011	Total Units	% Issued Capital
1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	110,672,041	8.06
2. NATIONAL NOMINEES LIMITED	69,508,237	5.06
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	62,513,665	4.55
4. JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	57,414,826	4.18
5. ESCOT FINANCE LTD	48,400,000	3.52
6. J P MORGAN NOMINEES AUSTRALIA LIMITED	41,025,599	2.99
7. NEFCO NOMINEES PTY LTD	38,248,556	2.78
8. CITICORP NOMINEES PTY LIMITED	34,459,478	2.51
9. PACKWOOD CAPITAL SA	17,000,000	1.24
10. DALY FINANCE CORP	14,600,000	1.06
11. BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	14,599,941	1.06
12. W D GOODFELLOW	11,942,534	0.87
13. D WHITBY	11,000,000	0.80
14. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	8,337,655	0.61
15. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – GSCO ECA	8,211,351	0.60
16. THE GRACE FOUNDATION	7,175,000	0.52
17. MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO. 1 ACCOUNT>	6,879,570	0.50
18. MESSARA INVESTMENTS PTY LTD <MESSARA FAMILY A/C>	6,850,000	0.50
19. B C MARTIN & H G MCFARLANE MARTIN <AMBRIA A/C>	6,300,000	0.46
20. ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	5,753,091	0.42

In accordance with the notices issued to the ASX, Nido's substantial shareholders as at 31 March 2011 were:

Shareholder	Total Units	% Issued Capital
Morgan Stanley Co. International plc	117,024,948	8.52%

Nido had 1,373,822,119 quoted fully paid ordinary shares on issue as at 31 March 2011.

For further information on Nido's activities, please go to www.nido.com.au or contact the Company's Chief Executive Officer, 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 2,944,000 hectares 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 both the 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 (42.4% interest), SC 54B (33% 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 two-well sub-sea development concept tied back to a moored FPSO.

** Subject to: completion of the obligations under the Farm-out Agreement with PNOC; and DOE approval.*

Directors

William Bloking	Non-Executive Chairman
Jocot de Dios	Chief Executive Officer
David Whitby	Non-Executive Director
Vince Pérez	Non-Executive Director
Eduardo Mañalac	Non-Executive Director
Andrew Edwards	Non-Executive Director

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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 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NIDO PETROLEUM LIMITED

ABN

65 086 630 373

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months ending 31 March 2011) \$A'000
1.1 Receipts from product sales and related debtors	7,806	7,806
1.2 Payments for (a) exploration & evaluation	(777)	(777)
(b) development	-	-
(c) production *	(17,385)	(17,385)
(d) administration	(2,052)	(2,052)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	104	104
1.5 Interest and other costs of finance paid	(726)	(726)
1.6 Income taxes paid	(43)	(43)
1.7 Other	-	-
	(13,073)	(13,073)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(21)	(21)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(21)	(21)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(13,094)	(13,094)

* Includes expenditure relating to the abandonment of the Tindalo oil field.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(13,094)	(13,094)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(3,445)	(3,445)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(3,445)	(3,445)
	Net increase (decrease) in cash held	(16,539)	(16,539)
1.20	Cash at beginning of quarter/year to date	24,216	24,216
1.21	Exchange rate adjustments to item 1.20	(76)	(76)
1.22	Cash at end of quarter	7,601	7,601

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	358
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

During the quarter ended 31 March 2011 the Company also reduced underlying debt outstanding relating to the Merrill Lynch Convertible Note by USD \$2.6 million, due to 2 conversions within the quarter. No cash was directly received.

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 *	2,952	2,952
3.2 Credit standby arrangements	-	-

** Relates to debt outstanding on the Merrill Lynch Convertible Note, which at 31 March 2011 was USD \$3.1 million.*

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5,000
4.2 Development	-
4.3 Production	7,600
4.4 Administration	2,000
Total	14,600

Note, forecast proceeds for the second quarter of 2011 are as follows: 1) Proceeds of USD \$8.3 million from Galoc cargo number 20 lifted and sold in March 2011 were received in early April 2011, 2) Proceeds of USD \$3.0 million from the final Tindalo lifting were received in early April 2011, and 3) Galoc lifted and sold cargo number 21 in April 2011, with proceeds to be received in May 2011 (pricing as yet not determined).

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	6,810	23,431
5.2 Deposits at call	791	785
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,601	24,216

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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			

+ See chapter 19 for defined terms.

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	1,373,822,119	1,373,822,119	-	Fully paid
7.4 Changes during quarter (a) Increases through issues	Increase of 12,997,600 through issue upon conversion of debt securities (28/01/11 - refer below)	12,997,600	.08	Fully paid
	Increase of 20,194,198 through issue upon conversion of debt securities (22/02/11 – refer below)	20,194,198	.08	Fully paid
(b) Decreases through returns of capital, buy-backs	-			
7.5 +Convertible debt securities <i>(description)</i>	1 Convertible Note with a maximum of 24,379,746 ordinary shares			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter				
	(a) Increases through issues	–	–		
	(b) Decreases through securities matured, converted	Decrease of 12,997,600 through conversion (28/01/11)	12,997,600	0.08	Fully paid
		Decrease of 20,194,198 through conversion (22/02/11)	20,194,198	0.08	Fully paid
7.7	Options (description and conversion factor)	14,150,000 (See attachment 1)		<i>Exercise price</i>	<i>Expiry date</i>
	Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan)	5,931,690	Unquoted	Nil – Vest in accordance with the Employee Performance Rights Plan	30 April 2013
		1,047,535	Unquoted	Nil – Vest in accordance with the Employee Performance Rights Plan	28 May 2013
		9,348,892	Unquoted	Nil – Vest in accordance with the Employee Performance Rights Plan	28 March 2014
7.8	Issued during quarter	9,348,892 Performance Rights Issued	Unquoted	Nil – Vest in accordance with the Employee Performance Rights Plan	28 March 2014
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,400,000 Options Expired	Unquoted	\$0.40	22 February 2011
		1,200,000 Options Expired	Unquoted	\$0.40	19 March 2011
		48,513 Performance Rights Cancelled	Unquoted	Nil – Vest in accordance with the Employee Performance Rights Plan	30 April 2013

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

..... Date: 28 April 2011

John Newman
(Company secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Attachment 1 – Unlisted Options (as at 31 March 2011)

Code	Number of Options	Exercise Price	Expiry Date
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	200,000	55 cents	17 June 2011
NDOAQ	1,950,000	55 cents	8 September 2011
Total	14,150,000		

+ See chapter 19 for defined terms.