

19 December 2012

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

## Galoc 1P Reserves Increase by 65%

Nido Petroleum Limited ('Nido', ASX:NDO), is pleased to provide the results of an independent reserves assessment of the Galoc oil field as at 30 June 2012 undertaken by Gaffney Cline & Associates ('GCA') on behalf of Nido.

The table below summarises the Developed and Undeveloped reserves for the Galoc field as at 30 June 2012 at the 'Proved', 'Proved plus Probable' and 'Proved plus Probable plus Possible' reserves categories on a gross (100%) and Nido net entitlement interest basis.

### STATEMENT OF OIL RESERVES FOR THE GALOC FIELD, SC 14 BLOCK C1, PHILIPPINES AS OF 30<sup>th</sup> JUNE, 2012

Reserves Category	Gross (100%) Field Volumes	Reserves Net to Nido's Entitlement Interest
	Crude Oil (MMstb)	Crude Oil (MMstb)
<b>DEVELOPED PRODUCING</b>		
Proved Developed	4.92	1.01
Proved plus Probable Developed	6.76	1.56
Proved plus Probable plus Possible Developed	8.67	2.14
<b>UN-DEVELOPED - "Approved for Development"</b>		
Proved Un-Developed	5.46	1.10
Proved plus Probable Un-Developed	9.11	1.56
Proved plus Probable plus Possible Un-Developed	13.48	2.10
<b>TOTAL RESERVES (Developed + Un-Developed)</b>		
Proved	10.38	2.11
Proved plus Probable	15.87	3.11
Proved plus Probable plus Possible	22.14	4.24

**Notes:**

- Totals may not sum due to rounding.
- Oil volumes are quoted in Million Stock Tank Barrels (MMstb). No account has been taken of any losses for fuel or shrinkage.
- Cumulative Production from the field as at 30<sup>th</sup> June 2012 was 8,990,965 stb.
- No recoverable gas volumes have been reported as there are no plans to recover the gas cap volumes.
- The gross volumes quoted above represent estimated recoverable volumes after an economic cut-off has been applied.
- The net reserves shown above represent Nido's net 22.87952% economic entitlement under the terms of the service contract which governs operations in SC14 Block C1. The volumes reported are less than would be calculated by applying Nido's 22.87952% Participating Interest in SC14 Block C1 to the Gross Reserves for the field due to the subtraction of the government's entitlement.
- Nido's net economic entitlement includes the benefit accruing from its share of the total un-recovered costs of US\$9.1 MM available to the SC14 Contractor as of at 31<sup>st</sup> December, 2011. This amount may not be applicable to all parties in SC14 Block C1.

Nido has a 22.879% Participating Interest in the Galoc oil field in Service Contract 14C1 and has historically conducted its own independent assessment of reserves to that undertaken on an annual basis by the Galoc Production Company (GPC), Operator of the Galoc field.

In this independent reserves assessment, GCA has considered the production forecasts for the two existing Galoc production wells (Galoc 3 and 4) and the two additional wells (Galoc 5 and 6) based on the SC 14C1 Joint Ventures plan for the Phase II development of Galoc field.

GCA has reviewed the Galoc field in accordance with the SPE/WPC/AAPG/SPEE Petroleum Resource Management System (SPE PRMS) Definitions and Guidelines and the ASX Reserves Definitions.

Nido's net entitlement reserves as at 30 June 2012 are reconciled against net entitlement as at 31 December 2011 in the table below.

Reserves Reconciliation	1P Proved	2P Proved plus Probable	3P Proved plus Probable plus Possible
	MMstb	MMstb	MMstb
Entitlement Reserves at 31 December 2011	1.27	3.07	4.34
Entitlement Reserves at 30 June 2012	2.11	3.11	4.24
Percentage change in net entitlement	65%	1%	-2%

Phil Byrne commented: *“Since the re-commencement of production following the installation of the turret mooring system in April 2012, the Galoc field has continued to perform strongly resulting in an increase in field reserves due to higher well recoveries based on pressure data analysis. With the Phase II development of the field now secure, further reserve and resource increases are likely to come from additional appraisal/in-fill drilling on the field and in particular from exploration activities to the north of the main field area. Nido looks forward to working closely with Galoc Field Operator GPC to bring such opportunities to fruition next year.”*

Yours sincerely

**Phil Byrne**  
Managing Director

#### SERVICE CONTRACT 14 C1 (GALOC OIL FIELD) PARTICIPATING INTERESTS TABLE

Participant	Participating Interests (%)
Galoc Production Company WLL (Operator) *	33.00
Galoc Production Company (2) Pte Ltd	26.84
<b>Nido Production (Galoc) Pty Ltd</b>	<b>22.88</b>
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.79
The Philodrill Corporation	7.21
Forum Energy Philippines Corporation	2.28

\* Galoc Production Company is owned by Otto Energy Ltd (ASX: OEL) - 33% working interest.

### **Competent Person's Declaration**

In accordance with ASX Listing Rule 5.11, the Company confirms that the hydrocarbon reserves information contained in this document in relation to the Galoc oil field was reviewed and signed off by Mr Stephen M. Lane, B. Sc. Geol., Principal, Gaffney Cline & Associates, who is a member of the Society of Petroleum Engineers and has at least five years' experience in the sector. Mr Lane is not an employee of the Company and consented in writing to the inclusion of the hydrocarbon reserves information in the form and context in which it appears in this announcement. The hydrocarbon reserves information contained in this document does not comply with Canadian or US standards of disclosure for oil and gas.