

23 May 2013

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

Ocean Patriot rig has commenced mobilisation to the Galoc Oil Field for the Phase II development

Nido Petroleum Limited ('ASX:NDO' or 'the Company') is pleased to advise that the Operator of SC 14C1 (Galoc Production Company W.L.L, a wholly owned subsidiary of Otto Energy Ltd, ASX: OEL) has informed the Company that the Ocean Patriot rig has commenced mobilisation from Singapore and is currently under tow with the tug Pacific Battler. The rig is expected to arrive at the field location in early June. Attached to this release is a copy of the Operator's latest Galoc Phase II Drilling Update.

Phil Byrne, Managing Director commented, "The departure from Singapore of the 'Ocean Patriot' rig to the Galoc oil field in SC 14C1 to commence the Phase II development project is a major milestone for this project and for the Company. I am very pleased to see the Phase II project enter the operational phase of its life cycle which will result in the drilling of two new additional horizontal development wells into the field. Galoc is the company's cornerstone asset, and the Phase II development project is strongly aligned with the company's strategy of focusing on building its reserves and production base and I look forward to the commencement of Phase II production in the fourth quarter this year".

Yours faithfully

Phil Byrne
Managing Director

23 May 2013

Manager of Company Announcements
 ASX Limited
 Level 6, 20 Bridge Street
 SYDNEY NSW 2000

By E-Lodgement

GALOC-5H AND GALOC-6H DRILLING UPDATE

Highlights:

- **Mobilisation of the Ocean Patriot has commenced and the drilling rig is expected to arrive in the Galoc field area in early June**

Otto Energy Limited ("Otto") (ASX:OEL), as operator of the producing Galoc oilfield joint venture offshore the Philippines, provides the following update on the Galoc-5H and Galoc-6H drilling campaign in SC14C, part of the Galoc Phase II development approved in 2012.

Progress

Otto advises that the drilling rig "Ocean Patriot" has commenced mobilisation from Singapore and is currently under tow with the tug Pacific Battler. The rig has completed its five-year survey works and also the load out of drilling equipment required for the campaign. It is being accompanied by support vessels during the sail to the Galoc oil field. The Ocean Patriot is expected to take approximately 10 days to arrive in the field. After the rig is anchored, it will proceed to spud the Galoc-5H and Galoc-6H wells.

Forward Plan

The forward plan is to complete mobilisation of the Ocean Patriot and undertake mooring and anchoring activities in the field. Further updates will be provided once the Galoc-5H and Galoc-6H wells have been spud.

--Ends--

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its integrated oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow
- Opportunity rich with substantial exploration prospects and leads

COMPANY OFFICERS

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Gregor McNab	CEO
Matthew Allen	CFO/Coy Secretary

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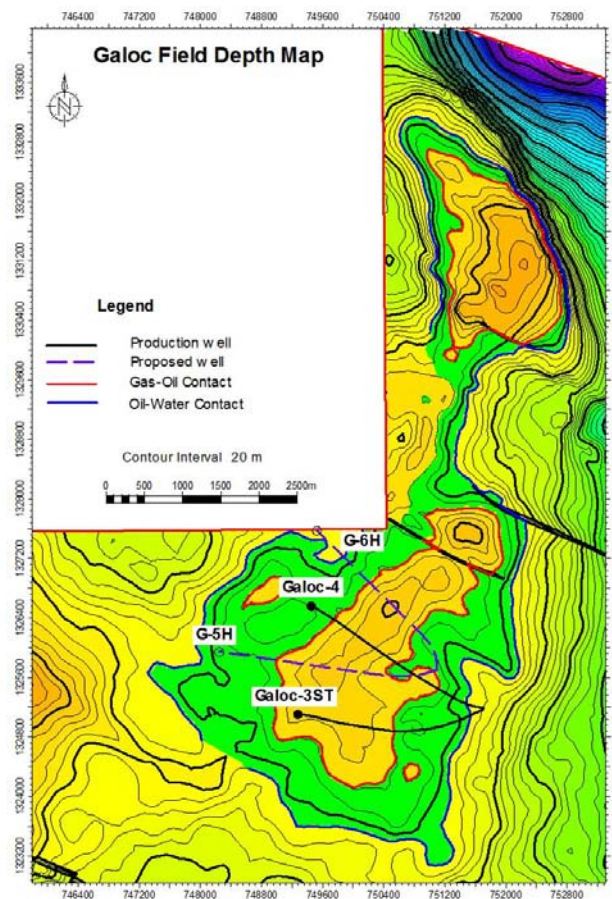
Location and Proposed Depth

The Galoc field is located in Service Contract SC14C (Galoc Sub Block) in 290m of water approximately 65km North West of Palawan Island and 350km south of Manila in the Republic of the Philippines. The Galoc-5H and Galoc-6H development wells are being drilled within the existing producing field that has delivered over 10 MMbbls of production since the field was commissioned in 2008.

The wells are being batch drilled in 311 metres of water. It is planned that the Galoc-5H and Galoc-6H development wells will be drilled to a total vertical depth of 2,190 with approximately 2,000 of horizontal completion. Drilling is expected to take approximately 115 days including the flowing of the wells for clean-up.

After drilling of both Galoc-5H and Galoc-6H is completed, the DOF operated Skandia Hercules construction vessel will be used to install the subsea equipment and complete the hook-up of both wells to the FPSO Rubicon Intrepid.

First oil from the Phase II wells is expected during Q4 2013.



APPENDIX A: SUMMARY

SC14C Galoc-5H and Galoc-6H Development Wells	
Location	Palawan Basin, Philippines
Permit	SC14C
Well Type	Horizontal development wells
Target	Turbiditic sandstone in Miocene Galoc Classic Unit
Water Depth	Approximately 311metres
Planned total depth	Approximately 2,190 metres vertical Total drilled length approximately 5,000 metres for each well
Duration	115 days (including well clean-up flow)

Note: Depth is measured in metres below the rig rotary table or drilling floor

Joint Venture Partners:

Participant	Participating Interest %
Galoc Production Company W.L.L. (Operator) (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL))	33.00000
Galoc Production Company No. 2 Pte Ltd (Wholly owned subsidiary of Kuwait Foreign Petroleum Exploration Company)	26.84473
Nido Production (Galoc) Pty Ltd (ASX: NDO)	22.87952
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575