

Q3

2013 Activities Report



Quarterly Report

For the period ending 30 September 2013

HIGHLIGHTS

- ◆ Nido's net production from the Galoc oil field and Nido/Matinloc oil fields during the quarter was 73,896 bbls and 7,845 bbls respectively
- ◆ Nido's net share of proceeds from production from the Galoc and Nido/Matinloc oil fields totalled A\$11.3million
- ◆ Galoc Phase II development progressing well with successful completion of the drilling of the Galoc-5H and Galoc-6H wells
- ◆ Operator estimates that first oil from Galoc Phase II will be received in late November 2013
- ◆ Independent assessment of West Linapacan A Reserves booked 1P Reserves at 9.6mmstb gross (1.94mmstb net to Nido)
- ◆ The Company secured a 12 month extension of Sub-Phase 6 of Service Contract 54A allowing further time to complete engineering and field development studies
- ◆ Indonesian Farm-in work program of 2 wells and 1 planned side track scheduled to commence in November 2013
- ◆ Updated research coverage by London Investment Research firm, Edison
- ◆ Nido ended the quarter in a sound financial position with A\$31.3 million in cash on hand

I am pleased to report to you the highlights of the Company's activities over Q3, 2013.

The most significant development for the quarter was the independent assessment of the West Linapacan A reserves by Gaffney Cline & Associates. Estimates of the field's 1P reserves were booked at 9.6mmstb with Nido's net entitlement being 1.94mmstb. The 2P and 3P reserves were estimated at 16.51mmstb and 21.03mmstb respectively (net entitlement to Nido of 3.2mmstb and 3.93mmstb).

This increase in reserves represents a substantial increase in Nido's total net 1P and 2P reserves when combined with Nido's interest in the Galoc oil field. Additional contingent and prospective resources were also recognised as part of the reserves assessment process. The nearby Linapacan B discovery is also currently in the process of being assessed.

In relation to the Galoc oil field and the Galoc Phase II development, drilling operations at the Galoc - 5H and Galoc - 6H wells have finished and both wells are currently in the process of being flow tested and completed for production operations. Operator estimates that first oil from the Phase II development will be received towards the end of November and we expect to see production increase to approximately 12,000bopd (gross). The recent positive announcements regarding the successful testing of the Galoc—5H and Galoc 6-H wells were within expectations and therefore support this 12,000 bopd production estimate.

The Company secured a 12 month extension of Sub-Phase 6 of Service Contract 54 from the Department of Energy allowing the joint venture partners until August 2014 to complete engineering and field development work before making a decision to enter Sub-

Phase 7 which carries a well commitment in Block A.

Preparation work in relation to the commencement of drilling the SC 63 commitment well continued during the quarter and the Company is actively seeking to secure a suitable rig for the drilling campaign.

Nido received government approval from MIGAS to the transfer from Lundin Petroleum B.V. of the 10% participating interest in each of the Baronang, Gurita and Cakalang PSCs during the quarter. The Baronang and Gurita drilling program is scheduled to commence in November 2013 when the Hakuryu 11 jack up rig becomes available to the Joint Venture.

London based investment research firm, Edison also updated its research on the company during the quarter and the Company was pleased to see Edison's recognition of the potential impact to Nido from the active upcoming drilling program that the Company is embarking on.

We are continuing with our active investor relations program and I have scheduled a number of investor presentations both domestically and internationally for the fourth quarter of 2013.

A handwritten signature in blue ink, appearing to read 'Philip Byrne'.

Philip Byrne
Managing Director

FINANCIAL & CORPORATE

FINANCIAL

Nido's cash on hand increased during the quarter by A\$1.4 million to A\$31.3 million*.

Galoc production was steady and cash inflows from crude oil sales totalled A\$11.3 million with receipts from Cargo 32 as well as sales from the Nido/Matinloc oil fields. Cash outflows from production operations at the Galoc oil field and the Nido/Matinloc oil fields amounted to A\$5.5 million.

Development expenditure of A\$16.5 million was incurred for the Galoc Phase II development. Cash outflows for exploration activities of A\$1.9 million relate mainly to activities in the Indonesian Production Sharing Contracts of Baronang, Gurita and Cakalang (Lundin farm-in PSCs), as well as SC 63 (Baragatan Prospect well planning activities) and SC 14C2 (West Linapacan reserves assessment).

Proceeds from borrowings A\$16.5million relates to the senior secured debt facility for the Galoc Phase II development with payment of interest and other financing costs of A\$0.6 million for the quarter.

General administration expenditure totalled A\$1.2 million for the quarter and the Company remains on track to achieve a forecast 20% reduction compared with the 2012 year, with year to date expenditure through to the period ending 30 September 2013 totalling A\$4.2 million (in comparison to A\$6.4 million for the same period in 2012).

Foreign exchange movements for the quarter totalled A\$0.7 million.

CORPORATE

During the quarter, the Company received government approval from the Directorate General of Oil and Gas (MIGAS) to the transfer from Lundin Petroleum B.V. of the 10% participating interest in each of the Baronang, Gurita and Cakalang PSCs.

* Cash on hand includes AUD \$16.3 million in funds held in accounts with Standard Bank plc. Usage of these funds is governed by the terms and conditions of the senior secured facility agreement.

| LIFTING SUMMARY | Qtr 3 2013 | YTD 2013 | Prev. Qtr Q2 2013 |
|---|-----------------------|---------------------|------------------------------|
| Volumes - Lifted & Sold (stb) | | | |
| Service Contract 14: | | | |
| Galoc oil field (net to Nido) | 89,123 | 250,652 | 77,877 |
| Nido & Matinloc oil fields (net to Nido)* | 8,192 | 26,954 | 10,308 |
| TOTAL VOLUMES LIFTED & SOLD | 97,315 | 277,606 | 88,185 |

FINANCIAL SUMMARY

Cash Inflows– A\$ '000

| | | | |
|------------------------------------|---------------|---------------|---------------|
| Receipts from sale of crude oil | 11,271 | 39,507 | 18,832 |
| Interest & other | 7 | 32 | 17 |
| Proceeds from debt facility | 16,519 | 16,519 | - |
| Net proceeds from issues of shares | - | 10,577 | - |
| TOTAL CASH INFLOWS | 27,797 | 66,635 | 18,849 |

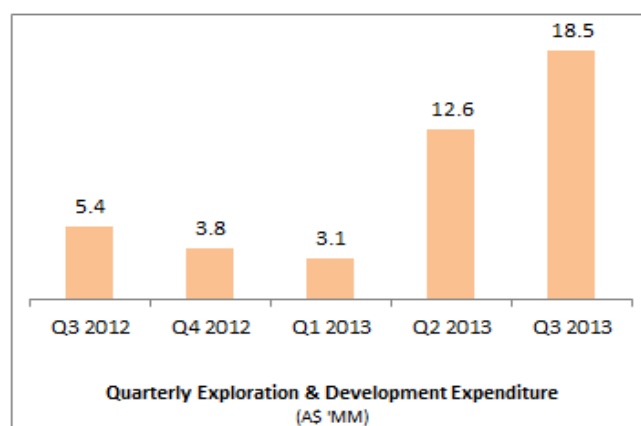
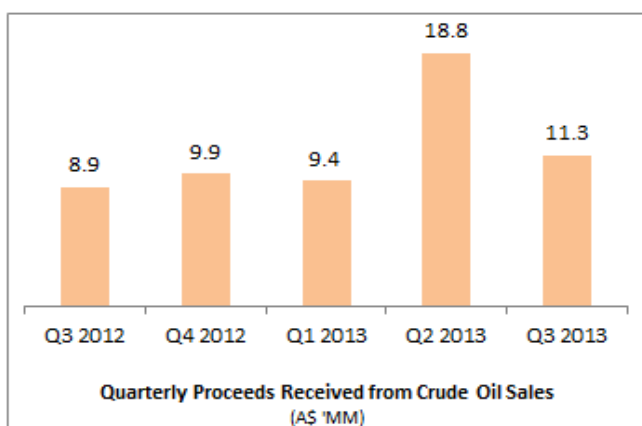
Cash Outflows & FX – A\$ '000

| | | | |
|---|-----------------|-----------------|-----------------|
| Exploration expenditure | (1,963) | (3,059) | (512) |
| Development expenditure | (16,519) | (31,101) | (12,110) |
| Production OPEX | (5,460) | (15,340) | (6,324) |
| Income taxes | - | - | - |
| Repayment of borrowings & financing costs | (635) | (2,313) | (540) |
| General & administration | (1,150) | (4,200) | (1,382) |
| Foreign exchange movement & other movements | (687) | 2,600 | 3,236 |
| TOTAL CASH OUTFLOWS | (26,414) | (53,413) | (17,632) |

Cash Position – A\$ '000

| | | | |
|------------------------------|--------------|--------------|---------------|
| Cash on Hand | 31,321 | 31,321 | 29,938 |
| Debt – Secured Debt Facility | (25,835) | (25,835) | (9,871) |
| NET CASH / (DEBT) | 5,486 | 5,486 | 20,067 |

* Nido and Matinloc figures are subject to change based on the latest lifting/production volume adjustment from the Operator



PRODUCTION AND DEVELOPMENT—Philippines

SERVICE CONTRACT 14C1 - GALOC OIL FIELD

| | | | |
|------------------|----------------------------|-----------|--|
| Location: | Palawan Basin, Philippines | | |
| Area: | 16,000 hectares | Operator: | GPC |
| Nido's Interest: | 22.88% | Activity: | Phase I: Production Phase II: Development Galoc North: Exploration |

The Galoc oil field gross average production rate for the quarter was 3,511 bopd (803 bopd net to Nido) with an uptime of 99% (excluding scheduled shut-in days).

Gross production from the Galoc oil field was 322,977 bbl (73,896 bbl net to Nido).

Cargo 32 was lifted during the quarter with Nido's net share from the lifting of 89,123 stb. Revenue of A\$9.7 million from Cargo number 32 was also received.

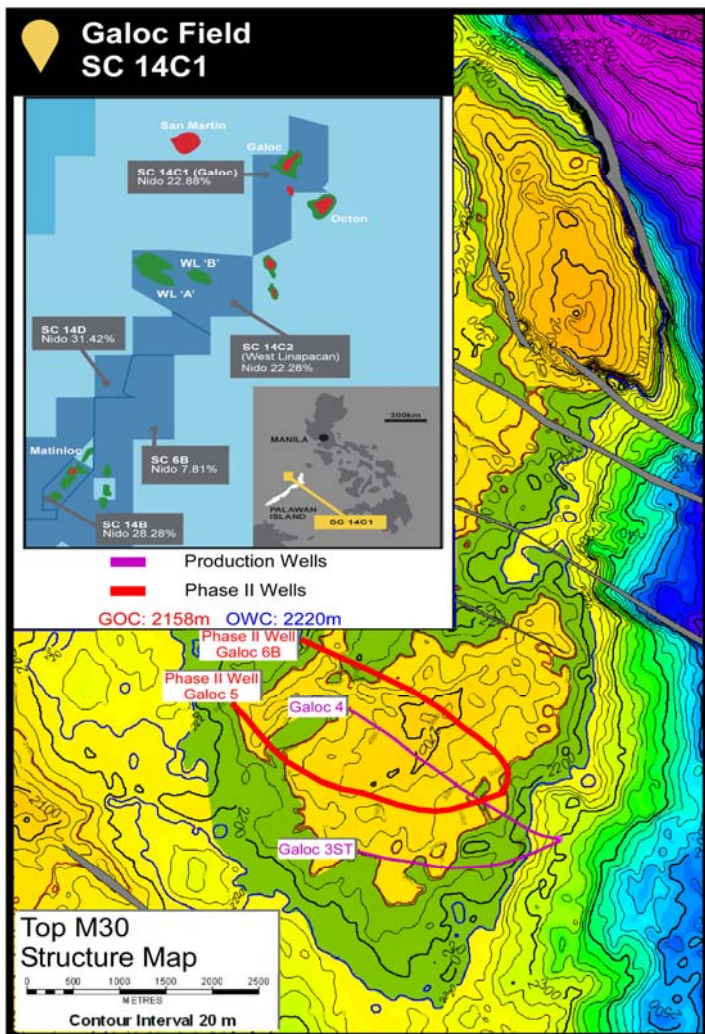
Cargoes 33 and 34 are scheduled to be lifted in Q4, with proceeds for Cargo 33 expected to be received in Q4 2013 and proceeds for Cargo

34 expected to be received in Q1, 2014.

Drilling at Galoc-5H and 6H was completed during the quarter with both wells now awaiting subsea completion prior to first oil scheduled for late November 2013.

Phase II is expected to deliver approximately 8MMbbls of additional resource lifting gross production to approximately 12,000 bopd from the field.

Nido's estimated share of the overall development costs for the Phase II Project have increased from US\$43M to \$US47M. This increase will be funded from existing cash and debt.



Galoc field depth map, showing location of development wells Galoc-5H and Galoc-6H



FPSO Rubicon Intrepid and MODU Ocean Patriot in operations in the Galoc oil field, June 2013

SC 14C1 GALOC-5H and GALOC-6H DEVELOPMENT WELLS

| Well Type: | Horizontal Development Wells |
|----------------------|---|
| Target: | Turbiditic sandstone in Miocene Galoc Classic Unit |
| Water Depth: | Approximately 311 metres |
| 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

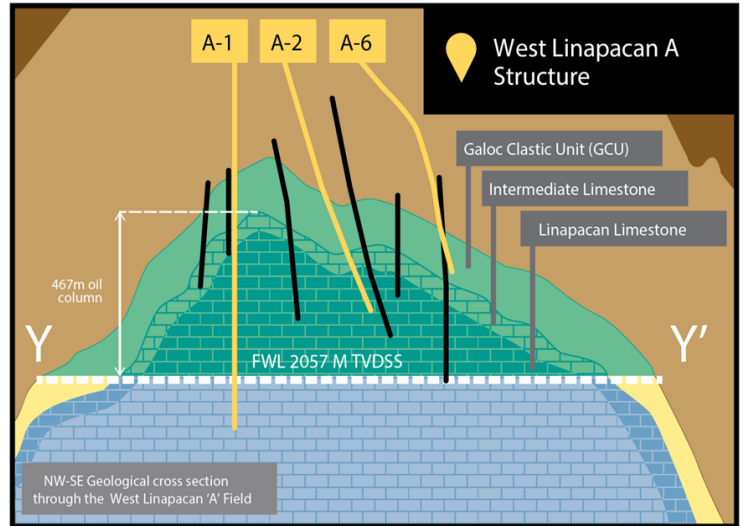
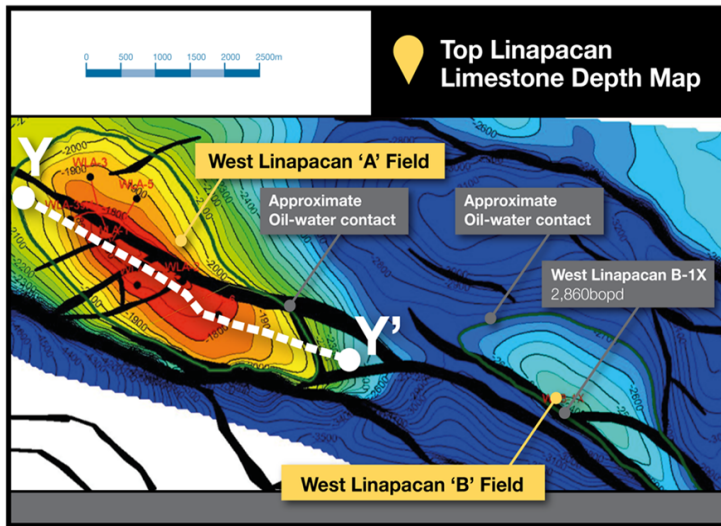
PRODUCTION AND DEVELOPMENT—Philippines

SERVICE CONTRACT 14C2 - WEST LINAPACAN A

| | | | |
|------------------|----------------------------|-----------|------------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 18,000 hectares | Operator: | RMA (HK) Limited |
| Nido's Interest: | 22.28% | Activity: | Re-development |

The reserves assessment of SC 14C2 was completed by Gaffney Cline & Associates ('GCA') during the quarter. GCA estimates the field's 1P reserves at 9.6mmstb on a gross basis (1.94mmstb net to Nido). These reserves are all sub-classified as undeveloped. The 2P and 3P reserves are estimated at 16.51 and 21.03mmstb respectively on a gross basis (3.2mmstb and 3.93mmstb net to Nido). West Linapacan has significantly increased the Company's net entitlement reserves position at the 1P and 2P level.

Over the past year the Operator, RMA, has completed an extensive technical review of the existing geological and production data from the field which has underpinned the reserve and resource assessment undertaken by GCA. The joint venture is now in a position to commence the front end engineering and design work (FEED) in order to reach a potential investment decision.



SERVICE CONTRACT 14A & 14B - NIDO & MATINLOC OIL FIELDS

| | | | |
|------------------|----------------------------------|-----------|------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 68,000 hectares | Operator: | Philodrill |
| Nido's Interest: | Block A 22.49% Block B 28.28% | Activity: | Production |

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis. Oil production from these fields during the quarter totalled 31,842bbbls (7,845bbbls net to Nido).

A total of 39,771 bbbls (8,192 bbbls net to Nido) was lifted and sold during the quarter, with proceeds from liftings of A\$0.7 million received in the quarter.

The Operator of the block is continuing to evaluate the option of developing the 1X1 oil discovery, which straddles both SC 14A and SC 54A, via the Nido A platform.

Nido continued discussions with respect to the divestment of SC 14A & B during the period.

EXPLORATION AND APPRAISAL— Philippines

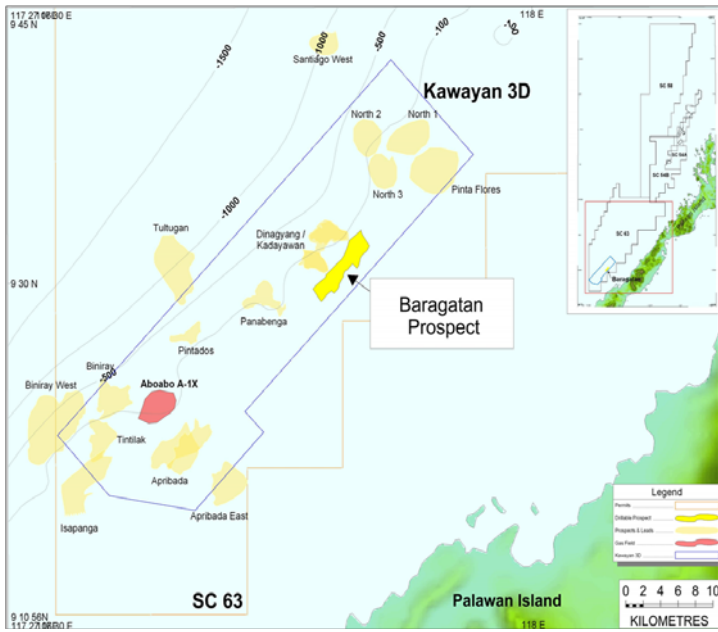
SERVICE CONTRACT 63 - BARAGATAN PROSPECT

| | | | |
|------------------|----------------------------|--------------|----------------------------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 1,067,000 hectares | Operator: | PNOC-EC* |
| Nido's Interest: | 50% | Opportunity: | Multiple prospects (exploration) |

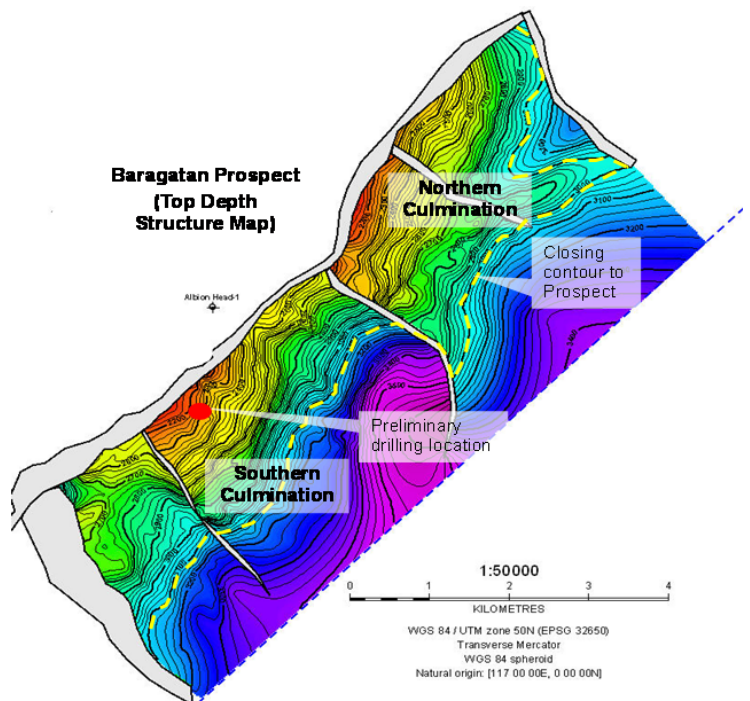
* PNOC-EC has agreed to transfer Technical Operatorship to Nido for the duration of the drilling of the commitment well.

During the quarter, the Baragatan Prospect was approved by the Department of Energy as the drilling target for the SC 63 commitment well. The Baragatan prospect is a large well defined fault block with a prospective resource range of between 679 to 977 MMbbl STOIP.

Preparation work in relation to the commencement of drilling the SC 63 commitment well continued during the quarter and the Company is actively seeking to secure a suitable rig for the drilling campaign and is currently in negotiations with a preferred rig contractor.

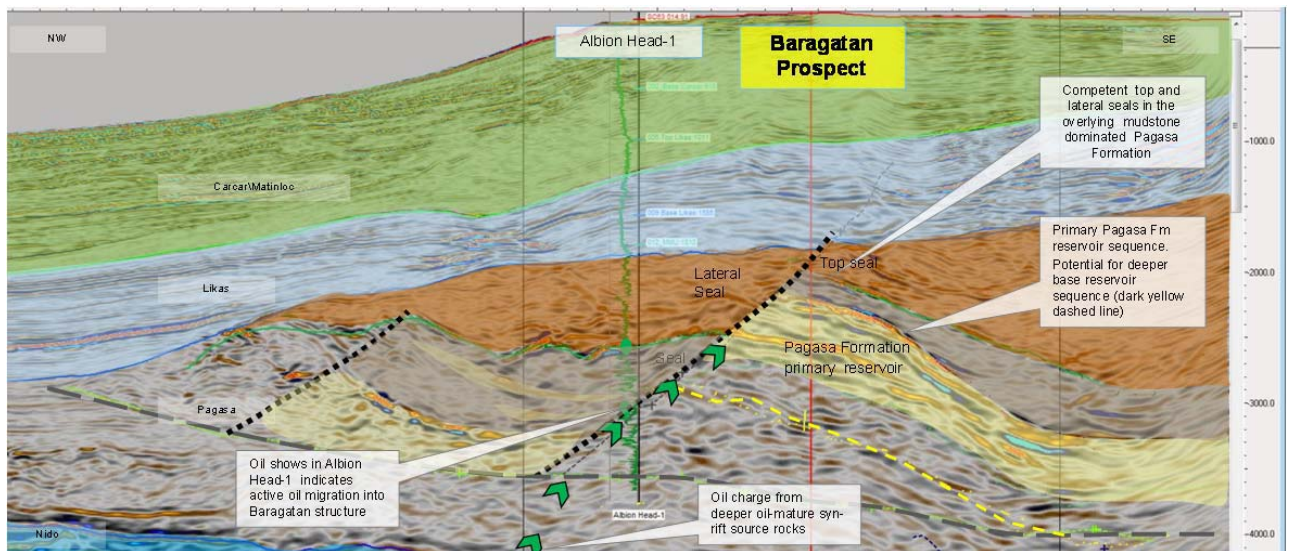


The location of the Baragatan Prospect within the southern sector of SC 63



The Baragatan Prospect at the objective Top Pagasa Formation Reservoir level.

NW-SW section through the Baragatan Prospect (Albion Head-1 oil shows shown in green circles)



EXPLORATION AND APPRAISAL—Philippines

SERVICE CONTRACT 54A

| | | | |
|-------------------------|----------------------------|---------------------|--|
| Location: | Palawan Basin, Philippines | | |
| Area: | 88,000 hectares | Operator: | Nido |
| Nido's Interest: | 42.4% | Opportunity: | Multiple small field development opportunities |

The Joint Venture continued discussions with the Operator of SC 14A regarding the option of developing the 1X1 oil discovery via the Nido A platform. The Company also continued to seek farm-out and/or divestment opportunities in relation to the asset during the period.

During the quarter the Joint Venture received approval from the DOE for an extension of Sub-phase 6 for a further 12 months with Sub-Phase 6 now expiring on 4 August 2014.

SERVICE CONTRACT 54B

| | | | |
|-------------------------|----------------------------|---------------------|----------------------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 316,000 hectares | Operator: | Nido |
| Nido's Interest: | 60% | Opportunity: | Pawikan lead (exploration) |

Further technical work is required to understand the carbonate facies distribution at the Pawikan location due to the nature of the Nido Limestone present. Work to better constrain depth conversion sensitivities at the Top Nido stratigraphic level across the greater Pawikan area is also ongoing.

There is no firm work commitment related to Block B of this Service Contract in either the current Sub-Phase 6 or in Sub-Phase 7 if the Company elects to enter the next Sub-Phase of Service Contract 54.

SERVICE CONTRACT 58

| | | | |
|-------------------------|--|---------------------|----------------------------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 1,349,000 hectares | Operator: | Nido* |
| Nido's Interest: | 50% (Subject to completing farm-in obligation) | Opportunity: | Multiple prospects (exploration) |

* *Technical Operator during Farm-in. Nido interest subject to completion of drilling farm-in commitment well.*

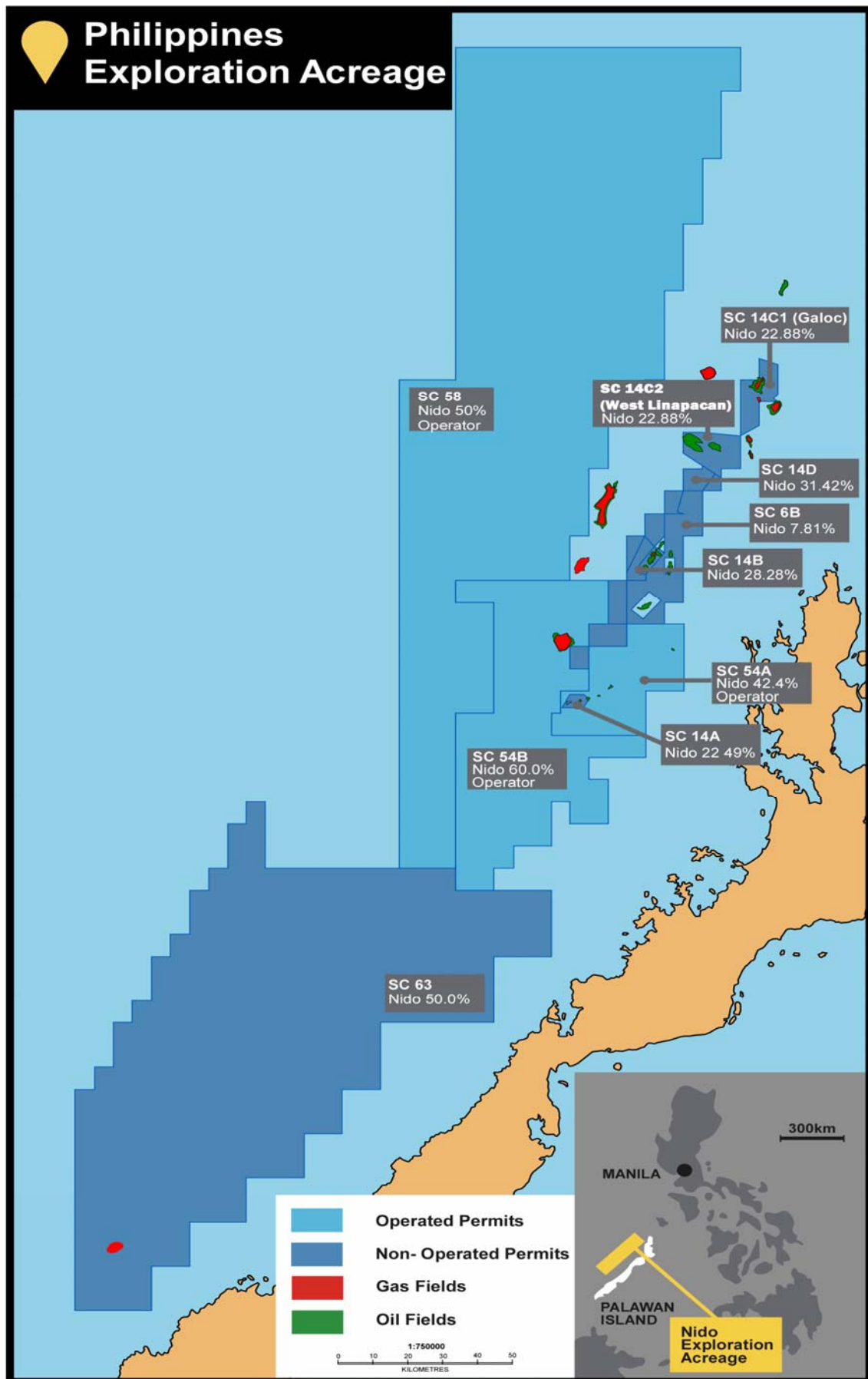
The Company is seeking an extension from the DOE to the Sub-Phase 3 work obligations which are required to be completed under the Service Contract by 12 January 2014. The DOE has yet to make a decision with respect to this request.

SERVICE CONTRACT 6B - BONITA

| | | | |
|-------------------------|----------------------------|---------------------|-------------|
| Location: | Palawan Basin, Philippines | | |
| Area: | 55,000 hectares | Operator: | Philodrill |
| Nido's Interest: | 7.81% | Opportunity: | Exploration |

The block contains the East Cadlao prospect, a possible extension of the Cadlao oil field, located in the adjacent SC 6 block (which Nido is not a participant in). The SC 6B Joint Venture has recently agreed to undertake a work program which will entail a geological and geophysical review of the block including the interpretation of approximately 550 sq. km. of seismic and analysis of available well data. The results of the review are expected to provide an assessment of the resource potential within the block which could lead to further activity depending on the relevant findings of the review.

EXPLORATION AND APPRAISAL — Philippines



EXPLORATION AND APPRAISAL — Indonesia

PRODUCTION SHARING CONTRACT BARONANG

| | | | |
|-------------------------|------------------------------|---------------------|---------------------------|
| Location: | West Natuna Basin, Indonesia | | |
| Area: | 282,500 hectares | Operator: | Lundin Petroleum |
| Nido's Interest: | 10.00% | Opportunity: | Balqis and Boni Prospects |

The key prospects in the Baronang PSC, located in shallow water depths of 80m or less, are directly analogous with the producing fields in the adjacent Kakap PSC that were originally discovered by Marathon in 1978. In 2010 the K-fields in the Kakap PSC produced at around 4,300 barrels of oil and condensate per day and 60 million cubic feet of natural gas.

Lundin Petroleum has identified a number of structural traps located adjacent to a proven oil generating kitchen with additional upside in stratigraphic traps that will be both targeted in the upcoming drilling campaign. Specifically, Lundin will drill the Balqis and Boni prospects with gross unrisks prospective resources of 47MMBOE and 55 MMBOE respectively (1 Exploration well & 1 Sidetrack), as part of the program scheduled to commence in November, 2013.

Lundin Petroleum has secured the JDC owned Hakuryu 11 jack-up rig for the forthcoming drilling program in the Baronang and Gurita PSCs. It is anticipated that the rig will be mobilised from its current operation in Vietnam during November to the Baronang PSC, where it will commence drilling the Balqis-1 exploration well plus Boni-1 sidetrack. The rig will then be moved to the Gurita PSC where it will drill the Gobi-1 exploration well.

During the quarter Nido received government approval from MIGAS for the transfer of the 10% participating interest in the Baronang PSC.

PRODUCTION SHARING CONTRACT CAKALANG

| | | | |
|-------------------------|------------------------------|---------------------|------------------|
| Location: | West Natuna Basin, Indonesia | | |
| Area: | 337,200 hectares | Operator: | Lundin Petroleum |
| Nido's Interest: | 10.00% | Opportunity: | |

The Cakalang PSC covers an area of 3,371 km² and is adjacent to the Baronang PSC. Water depths range from 50 to 80 m. Although there has been no drilling in the block to date, several oil and gas discoveries have been made nearby (in Indonesia, Malaysia and Vietnam) confirming the presence of active petroleum systems in the area. The JV's current focus is on upgrading the prospects and leads portfolio identified from earlier 2D seismic. Success in the Balqis or Boni prospects in the Banonang PSC will significantly upgrade the prospectivity of the Cakalang PSC.

During the quarter Nido received government approval from MIGAS for the transfer of the 10% participating interest in the Cakalang PSC.

PRODUCTION SHARING CONTRACT GURITA

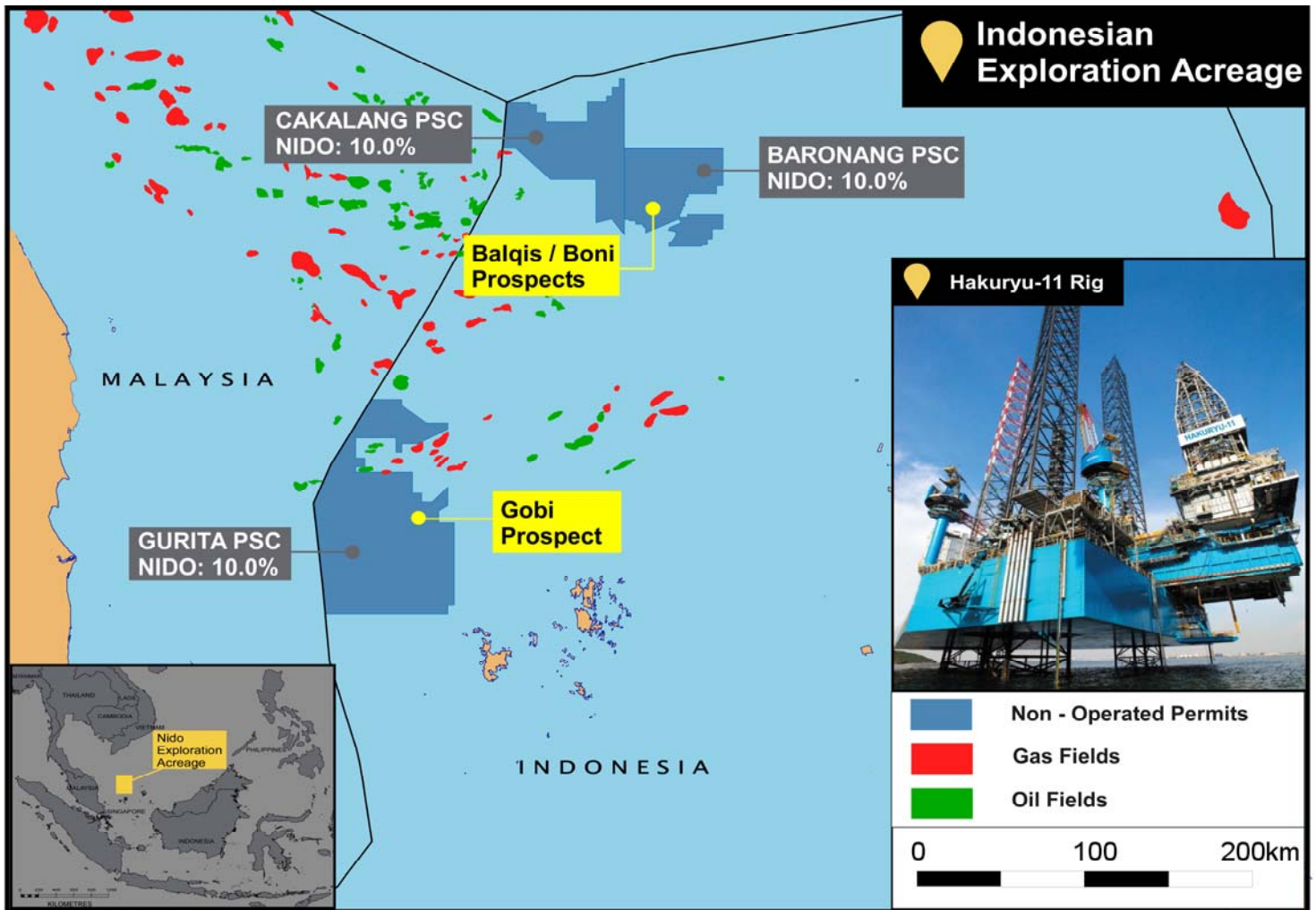
| | | | |
|-------------------------|----------------------------|---------------------|------------------|
| Location: | Penyu Sub-Basin, Indonesia | | |
| Area: | 801,800 hectares | Operator: | Lundin Petroleum |
| Nido's Interest: | 10.00% | Opportunity: | Gobi-1 Prospect |

The Gurita PSC, located in shallow water depths of 80m or less, has a number of major oil and gas discoveries adjacent to it such as the Belida Field to the north east which had ~350MMbbl reserves and reached peak production of around 140,000bopd.

There is also the Sembilang Field to the east with reserves of 30MMbbls that produced at around 7,200bopd. Lundin Petroleum has identified a number of potential targets in the Gurita PSC and will drill the renamed Gloria A prospects (now Gobi-1) as part of the drilling campaign scheduled to commence in November, 2013.

During the quarter Nido received government approval from MIGAS for the transfer of the 10% participating interest in the Gurita PSC.

EXPLORATION AND APPRAISAL — Indonesia



Reserves Information and Competent Person Consent

The reserves information contained in this report concerning the West Linapacan A field is a summary of the report filed by the Company on the ASX on 4 September 2013 and was released on that date with the written consent of Mr Stephen Lane, B.Sc. (Hons.) Geology, Technical Director, 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 has also consented to the form and context of the reserves information concerning the West Linapacan A field as presented in this report.

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")

30 September 2013

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months ending 30 September 2013) \$A'000 |
|---|----------------------------|---|
| 1.1 Receipts from product sales and related debtors | 11,271 | 39,507 |
| 1.2 Payments for (a) exploration & evaluation* | (1,963) | (3,059) |
| (b) development | (16,519) | (31,101) |
| (c) production | (5,460) | (15,340) |
| (d) administration | (1,150) | (4,200) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 7 | 32 |
| 1.5 Interest and other costs of finance paid | (375) | (756) |
| 1.6 Income taxes paid | - | - |
| 1.7(a) Other - insurance proceeds | - | - |
| Net Operating Cash Flows | (14,189) | (14,917) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (1) | (2) |
| 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) | - | - |
| Net investing cash flows | (1) | (2) |
| 1.13 Total operating and investing cash flows (carried forward) | (14,190) | (14,919) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|----------|----------|
| 1.13 | Total operating and investing cash flows (brought forward) | (14,190) | (14,919) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc (net of costs). | - | 10,577 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 16,519 | 16,519 |
| 1.17(a) | Repayment of borrowings | - | - |
| 1.17(b) | Payment for financing costs | (260) | (1,557) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| Net financing cash flows | | 16,259 | 25,539 |
| Net increase (decrease) in cash held | | 2,069 | 10,620 |
| 1.20 | Cash at beginning of quarter/year to date | 29,938 | 18,099 |
| 1.21 | Exchange rate adjustments to item 1.20 | (686) | 2,602 |
| 1.22 | Cash at end of quarter | 31,321 | 31,321 |

*Exploration and evaluation outflows includes payments relating to the recent Indonesian Farm-in totalling \$1.4million.

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 | 225 |
| 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 fees paid to Directors, including the Managing Directors salary.

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

Nil

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 | 31,100 | 25,835 |
| 3.2 Credit standby arrangements | | |

*Amount available relates to expected total drawn debt under the secured debt facility in the fourth quarter of 2013 (~US\$ 29 million).

**Relates to actual debt drawn under the Secured Debt Facility, which at 30 September 2013 was USD \$24.1 million (AUD \$25.8 million). The exchange rate used to convert the USD debt to AUD was 0.9312 at 30 September 2013.

Estimated cash outflows for next quarter

| | \$A'000 |
|---------------------------------|-----------------|
| 4.1 Exploration and evaluation* | (11,532) |
| 4.2 Development** | (11,822) |
| 4.3 Production | (4,659) |
| 4.4 Administration | (1,420) |
| Total | (30,130) |

* Exploration and evaluation outflows relate predominantly to the drilling of exploration wells in the Indonesian blocks of Baronang and Gurita.

** Development outflows relate predominately to the Galoc Phase II development, which will be funded from cash reserves and further drawdowns from the Secured Debt Facility.

*** Forecast cash inflows for the fourth quarter of 2013 include proceeds from Galoc cargo 33 which is scheduled to be lifted in November 2013, with proceeds forecast to be received in December 2013.

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* | 31,266 | 29,883 |
| 5.2 Deposits at call | 55 | 55 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 31,321 | 29,938 |

*Cash on hand includes AUD \$16.3 million in funds held in accounts with Standard Bank plc. Usage of these funds is governed by the terms and conditions of the senior secured facility agreement.

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 | | | - |

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 | - | - | - | - |
| 7.2 | - | - | - | - |
| 7.3 | 2,046,650,968 | 2,046,650,968 | - | Fully paid |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|-----|---|--|-----------|-----|------------|
| 7.4 | Changes during quarter (a) Increases through issues | Grant of 1,666,667 Ordinary Shares as part of Philip Byrne's Sign-On and Retention Bonus (third tranche) | 1,666,667 | Nil | Fully paid |
| | (b) Decreases through returns of capital, buy-backs | | | | - |
| 7.5 | +Convertible debt securities <i>(description)</i> | - | - | - | - |
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | - | - | - | - |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| 7.7 | Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date</i> |
|-----|--|--|----------|-------------------------|---|
| | Future Grant of Shares (sign-on and retention bonus pursuant to employment contract for appointment of COO) | As at 30 September 2013, remaining future grant of 4,999,999 ordinary shares to be granted in three tranches at Six (6) month intervals (next tranche will be 30 December 2013). Next two (2) tranches will be 1,666,667 Ordinary Shares with final tranche being 1,666,665 Ordinary Shares. | Unquoted | Nil – linked to tenure. | In the event of termination of the Employment Contract by the Company (other than for cause in which case no further shares shall be issued) a maximum of 1,666,667 of any of the unvested shares shall be issued. In the event of termination by the employee the Company is not obliged to issue any unvested shares. |
| | Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan) | 71,188,017 (see attachment 1) | Unquoted | Nil | See attachment 1 |
| | Managing Director Performance Rights (performance rights issued to the Managing Director with Shareholder approval – same terms and conditions as Employee Performance Rights Plan) | 25,846,154 (see attachment 1) | Unquoted | Nil | 1 June 2016 |
| 7.8 | Issued during quarter | | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|------|---|---|---|---|---|
| 7.9 | Exercised during quarter | Future Grant of Shares – Third Tranche of 1,666,667 rights to future shares pursuant to Sign-On and Retention Bonus (refer to 7.4(a) above) | - | - | - |
| 7.10 | Expired during quarter | - | - | - | - |
| 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: 21 October 2013
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.

== == == == ==

+ See chapter 19 for defined terms.

Attachment 1 - Performance Rights (as at 30 September 2013)

| Code | Number of Performance Rights | Exercise Price | Expiry Date |
|--------------|-------------------------------------|-----------------------|--------------------|
| NDOAU | 4,772,747 | Nil | 28 March 2014 |
| NDOAO | 12,768,960 | Nil | 5 April 2015 |
| NDOAK | 3,285,446 | Nil | 1 June 2015 |
| NDOAM | 50,360,864 | Nil | 23 April 2016 |
| Total | 71,188,017 | | |

Managing Director Performance Rights (as at 30 September 2013)

| Code | Number of Performance Rights | Exercise Price | Expiry Date |
|-------------|-------------------------------------|-----------------------|--------------------|
| NDOAQ | 25,846,154 | Nil | 1 June 2016 |