

Quarterly Update



First quarter report for the period ending 31 March 2013

Highlights

Production Activities

- Average daily production rate from the Galoc oil field during the period 1 January 2013 to 31 March 2013 was 4,831 bopd (1,105 bopd net to Nido) with an uptime for the quarter of 100%;
- Gross production from the Galoc oil field for the reporting period was 434,801 bbls (99,482 bbls net to Nido); and
- Nido's net share of proceeds from production from both the Galoc and Nido/Matinloc oil fields totalled \$9.4 million during the period.

Development Activities

- Operator estimates confirm that the Galoc Phase II Project remains on schedule and on budget; and
- The Operator of SC 14C-2, RMA (HK) Limited progressed the reserves re-certification work for the West Linapacan A Field and the Operator estimates that the project will be completed in May 2013.

Exploration and Appraisal Activities

- The SC 14C1 Joint Venture completed a detailed assessment of the exploration potential of the greater Galoc area and there is an ongoing review by the Joint Venture to agree a forward drilling plan; and
- The SC 63 Joint Venture elevated the Baragatan prospect as the leading drilling candidate for the SC 63 commitment well. The Baragatan prospect is estimated to have gross unrisks oil-in-place volumes of between 679 to 977 mmbbls.

Corporate & Financial

- The Company embarked on a program of cost cutting measures, including a reduction in Perth office staff by approximately 25% during the quarter, and is targeting an overall 20% reduction in general and administrative expenditure for 2013;
- Miro Advisors Pty Ltd were appointed during the quarter to assist the Company to evaluate and pursue strategic corporate opportunities;
- Credit Suisse AG joined the Company's project debt facility in relation to the Galoc Phase II development; and
- Cash on hand at the end of the March 2013 quarter was \$28.7 million (\$18.1 million as at 31 December 2012).

HSSE

- There were no HSSE incidents during the quarter.

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Chief Financial Officer:

Ashley Gilbert

Head of Exploration:

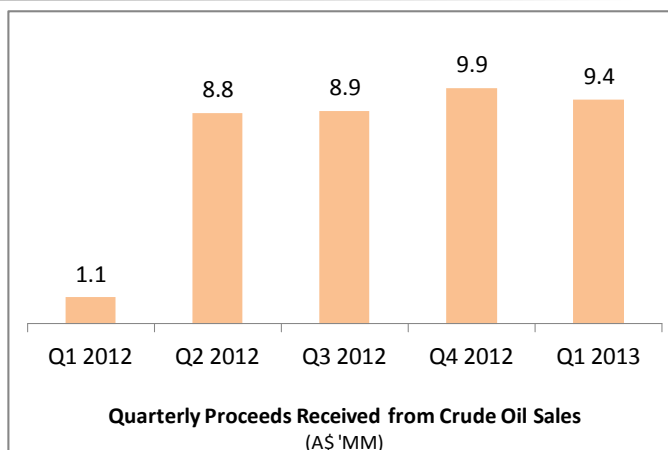
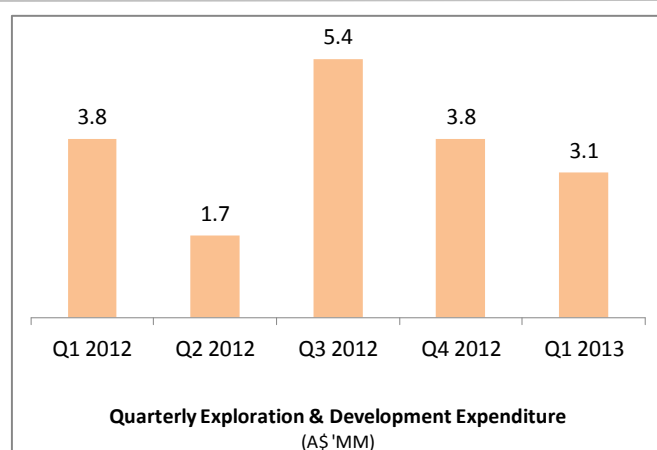
Jon Pattillo

General Counsel/

Company Secretary:

John Newman

Nido Petroleum Limited Quarterly Report



“Revenue received in the quarter totalled \$9.4 million, with the Company ending the first quarter with \$28.7 million in cash on hand.”

PRODUCTION SUMMARY	Qtr 1 2013	Year-to-date 2013	Previous Qtr Q4 2012
Volumes - Lifted & Sold (stb)			
Service Contract 14:			
Galoc oil field (net to Nido)	83,654	83,654	161,369
Nido & Matinloc oil fields (net to Nido) *	6,997	6,997	11,500
TOTAL VOLUMES LIFTED & SOLD	90,651	90,651	172,869
FINANCIAL SUMMARY			
Cash Inflows– A\$ '000			
Receipts from sale of crude oil	9,404	9,404	9,883
Interest & other	8	8	12
Proceeds from debt facility	0	0	0
Proceeds from issues of shares (net of cost)	10,577	10,577	5,168
TOTAL CASH INFLOWS	19,989	19,989	15,063
Cash Outflows – A\$ '000			
Exploration expenditure	(583)	(583)	(660)
Development expenditure	(2,471)	(2,471)	(3,107)
Production OPEX	(3,557)	(3,557)	(5,785)
Income taxes	0	0	(346)
Repayment of borrowings & financing costs	(1,138)	(1,138)	(189)
Administration, other costs & foreign exchange movement	(1,618)	(1,618)	(2,144)
TOTAL CASH OUTFLOWS	(9,367)	(9,367)	(12,231)
Cash Position – A\$ '000			
Cash on Hand	28,721	28,721	18,099
Debt – Secured Debt Facility	(8,655)	(8,655)	(8,687)
NET CASH / (DEBT)	20,066	20,066	9,412
* Nido and Matinloc figures are subject to change based on the latest lifting/production volume adjustment from the Operator			

First Quarter 2013 Activity Summary – Philippine Offshore Acreage

SERVICE CONTRACT 14C1	
Working Interest	22.88%
Asset / Opportunity	Galoc Oil Field (Phase I: production) (Phase II: development) (Galoc North: exploration)

- The Galoc oil field gross average production rate for the quarter was 4,831 bopd (1,105 bopd net to Nido) and an uptime of 100%;
- Gross production from the Galoc oil field was 434,801 bbl (99,482 bbl net to Nido);
- Revenue from Cargo number 29 was received during the quarter as well as residual crude oil sales from previous liftings with proceeds totalling A\$8.6 million;
- Cargo number 30 was lifted on 14 March 2013 with a total lifted volume of 365,621 bbls (83,654 bbls net to Nido) with pricing of \$US111 per bbl;
- Proceeds from cargo 30 will be received in Q2 2013 and will be reflected in the Q2 Quarterly Report;
- Cargo 31 offtake has been sold and is scheduled to be delivered in late May 2013;
- The Joint Venture completed a detailed assessment of the exploration potential of the greater Galoc area and there is an ongoing review by the Joint Venture to agree a forward drilling plan;
- Operator estimates confirm that the Galoc Phase II project remains on schedule and budget;
- The drilling rig 'Ocean Patriot' arrived in Singapore in mid-April ahead of a planned survey prior to mobilising to the Galoc oil field in late-May;
- Confirmation by Diamond Offshore of rig mobilisation timing has allowed firming up of timing for the subsequent installation sequencing and first oil in Q4 2013; and
- Nido's net participating interest share of Galoc oil field reserves at the 1P and 2P levels as at 1 January 2013 were 2.16 MMstb and 3.41 MMstb respectively**

***Note that oil reserves estimates are provided on the basis of Nido's Participating Interest share which is different to Nido's Net Entitlement Share due to the subtraction of the Government's entitlement. Refer to page 7 for the Competent Person's Declaration in relation to the Reserves Information presented.*

SERVICE CONTRACT 14C2	
Working Interest	22.28%
Asset / Opportunity	West Linapacan A (re-development)

- RMA (HK) Limited, the Operator of SC 14C2, continued detailed reservoir modelling over the West Linapacan A field with a significant emphasis on geophysical and petrophysical definition;
- Although the modelling has taken longer than anticipated due to the complexity of the field, the Operator expects that the third party reserves certification will be able to be completed in May 2013; and
- Subject to the results of the reserves certification the Joint Venture will commence FEED work in order to reach a potential development decision in 2H 2013.

SERVICE CONTRACT 14A & 14B	
Working Interest	Block A 22.49% Block B 28.28%
Asset / Opportunity	Nido & Matinloc oil fields (production)

- The Nido and Matinloc oil fields continued to produce oil on a cyclical basis. Oil production from these fields during the quarter totalled 45,693 (11,438 bbls net to Nido);
- A total of 28,273 bbls (6,997 bbls net to Nido) of produced oil was lifted and sold during the quarter with proceeds of A\$0.8 million received; and
- The Operator of the block is evaluating the option of developing the 1X1 oil discovery via the Nido A platform.

SERVICE CONTRACT 54A	
Working Interest	42.4%
Asset / Opportunity	Multiple field development opportunities Lawaan lead (exploration)

- The Joint Venture terminated negotiations with Viking in relation to a potential Farm-out Agreement;
- 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; and
- A review of the prospects and leads portfolio was undertaken to enable a ranking of the exploration potential within the Service Contract.

SERVICE CONTRACT 54B	
Working Interest	60%
Asset / Opportunity	Pawikan lead (exploration)

- The Nido Limestone facies mapping, incorporating results from the Gindara-1 well has been completed;
- 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 ongoing; and
- The Company continued discussions with potential farm-out partners during the quarter.

SERVICE CONTRACT 58	
Working Interest	50% (Subject to completing farm-in obligation)
Asset / Opportunity	Multiple prospects (exploration)

- The technical evaluation of the prospects and leads portfolio was completed during the period;
- On the basis of volumetrics and geological risk the highest ranked prospects have undergone screening analysis with Balyena being presented to the SC 58 Joint Venture as the candidate to meet the Sub-Phase 3 well commitment; and
- The Balyena prospect is estimated to have gross unrisks oil-in-place volumes of 4.3 Bnbbls (combined reservoir objectives).

SERVICE CONTRACT 63	
Working Interest	50%
Asset / Opportunity	Multiple prospects (exploration)

- Work continued on maturing additional drilling prospects in the block and the Joint Venture is now considering the Baragatan Prospect as the leading candidate for the SC 63 commitment well;
- The Baragatan Prospect is a large well defined fault prospect estimated to contain gross unrisks oil-in-place volumes of between 679 to 977 mmbbls. The objective reservoir would be the Pagasa sandstones which are analogous to the producing reservoir at the Galoc oil field; and
- It is expected that the Joint Venture will approve the drilling of the prospect during the second quarter of 2013 and will then actively commence the necessary preparations for the drilling campaign.

SERVICE CONTRACT 6B	
Working Interest	7.81%
Asset / Opportunity	East Cadlao prospects (exploration)

- There are currently no plans by the SC 6B Joint Venture to acquire additional seismic or consider exploration drilling within the block; and
- 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).



Corporate & Financial

- Nido's cash on hand increased during the quarter by \$10.6 million to \$28.7 million.*

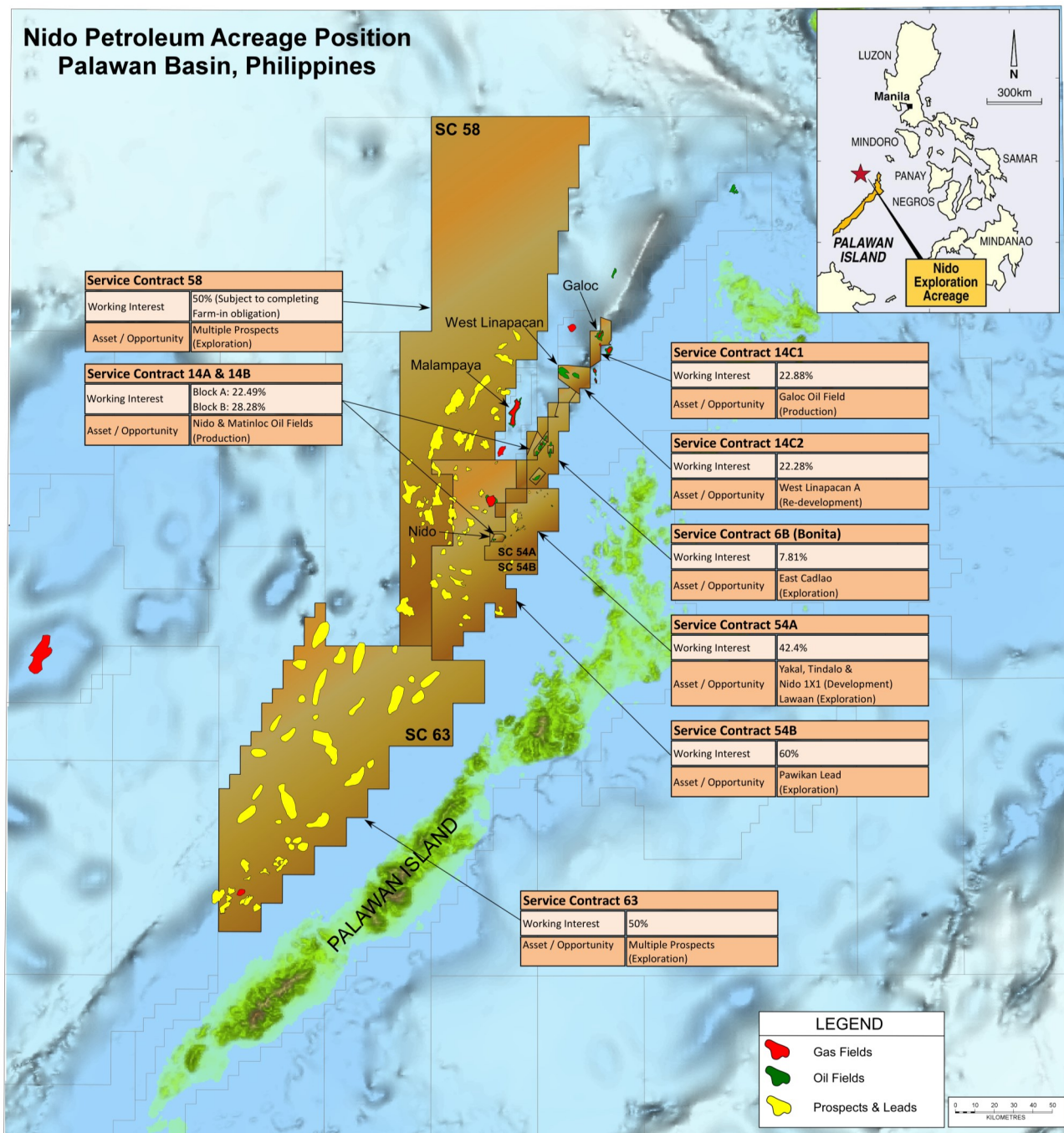
Of note:

- Cash inflows from crude oil sales totalled \$9.4 million in the quarter received from Cargo 29 and residual crude oil sales from previous liftings at the Galoc oil field (\$8.0 million and \$0.6 million respectively) and the Nido/Matinloc oil fields (\$0.8 million);
- Cash outflows from production operations at the SC 14C1 Galoc oil field and the SC 14A/B Nido/Matinloc oil fields amounted to \$3.6 million. Due to delayed timing of the issue of the March cash call for Galoc OPEX, the cash call will now be paid in April 2013;
- Net proceeds (after equity raising costs) raised during the quarter through Share Placements to sophisticated investors and a Share Purchase Plan totalled \$10.6 million (443,863,344 ordinary shares at A\$0.027);
- Development expenditure of \$2.5 million in relation to Galoc Phase II in SC 14C1;
- Cash outflows for exploration activities relating to the Company's Service Contracts totalled \$0.6 million;
- Payment of interest and other financing cost (\$1.1 million) relates to the senior secured debt facility for the Galoc Phase II development. The payment includes establishment fees for the Phase II loan, as well as legal fees and interest costs; and
- General administration including redundancy payments, other costs and foreign exchange movements for the quarter totalled \$1.6 million.

** Cash on hand includes AUD \$15.9 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.*

New Business

- During the quarter, the Company considered a number of new venture opportunities in Indonesia and Malaysia.



Permit Philippines NW Palawan	Nido Interest %	Gross Area Hectares ('000)	Operator
SC 14A (Nido)	22.49	2	Philodrill
SC 14B (Matinloc)	28.28	16	Philodrill
SC 14C1 (Galoc)	22.88	16	GPC
SC 14C2 (West Linapacan)	22.28	18	RMA
SC 14D	31.42	17	Philodrill
SC 6B (Bonita)	7.81	55	Philodrill
SC 54A	42.4	88	Nido
SC 54B	60	316	Nido
SC 58	50	1,349	Nido*
SC 63	50	1,067	PNOC-EC**

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

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

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 David Lim, B. SC. (Hons), MSc. Director, Odin Reservoir Consultants Pty Ltd. Mr Lim is an independent contractor engaged by the Company under a consultancy services agreement between the Company and Odin Reservoir Consultants Pty Ltd. Mr Lim is a petroleum engineer and a member of Society of Petroleum Engineers and has over twenty five years' experience in the sector. Mr Lim 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 Report.