Nido Petroleum Limited

ABN 65 086 630 373

9 April 2014

ASX ANNOUNCEMENT

Nido Receives Increased Reserves Booking from West Linapacan 'A' Independent Assessment

Highlights:

- Independent assessment by GCA estimates West Linapacan 'A' field 1P Reserves at 11.6 mmstb, on a gross basis (2.4 mmstb on a net entitlement to Nido basis). These Reserves are all sub-classified as Undeveloped.
- 2P and 3P Reserves are estimated at 18.2 and 22.8 mmstb respectively, on a gross basis (and 3.5 mmstb and 4.3 mmstb on a net entitlement to Nido basis).
- Assessment further increases the Company's Net Entitlement Reserves position at the 1P and 2P level.
- Nido has a 22.279% working interest in the West Linapacan 'A' field.

Nido Petroleum Limited (ASX:NDO) ("Nido" or the "Company") is pleased to provide the results of an independent reserves and resources assessment of the West Linapacan 'A' oil field as at 28 February, 2014 undertaken by Gaffney Cline and Associates ('GCA') on behalf of Nido. GCA's latest assessment updates the West Linapacan 'A' reserves announcement released to the market on the 4 September 2013.

Increased Reserves Booking

Total West Linapacan 'A' field 1P (Proved) Reserves are now booked at 11.6 million stock tank barrels (mmstb) on a gross basis, based on a three multi-lateral well development scenario. 2P (Proved plus Probable) and 3P (Proved plus Probable plus Possible) Reserves were estimated at 18.2 and 22.8 mmstb respectively on a gross basis.

The table below summarises Nido's net Entitlement Reserves for the West Linapacan 'A' field at the 1P (Proved), 2P (Proven plus Probable) and 3P (Proven plus Probable plus Possible) as at 28 February 2014.

Reserves Category UN-DEVELOPED RESERVES JUSTIFIED FOR DEVELOPMENT	Reserves Gross 100% Field	Reserves Net to Nido's Entitlement Interest
	Crude Oil (MMstb)	Crude Oil (MMstb)
1P (Proved)	11.60	2.4
2P (Proved plus Probable)	18.20	3.5
3P (Proved plus Probable plus Possible)	22.80	4.3

GCA's Reserves have been estimated in accordance with the SPE/WPC/AAPG/SPEE Petroleum Resource System (SPE PRMS) Definitions and Guidelines and the ASX Listing Rules including proposed Listing Rules 5.25 to 5.44 where applicable.

Nido's Managing Director, Mr Phil Byrne, commenting on the increased Independent Reserves Estimation, stated: "*The updated independent reserves assessment by GCA* for *a three well re-development of the West Linapacan oil field, which materially increases the 1P, 2P and 3P reserves in the main Linapacan Limestone reservoir, further demonstrates the robustness and attractiveness of this project for our Company.*

In addition to the updated reserves assessment, I am pleased with the progress made by SC 14C2 Operator RMA West Linapacan Pte Ltd ('RMA') over the past few weeks with respect to finalising the Front End Engineering and Design ('FEED') work for the project, including securing key long lead drilling items, advancing discussions with FPSO and rig owners, and finalising the Field Development Plan.

I look forward to the SC 14C2 Joint Venture sanctioning the re-development of the West Linapacan field in the near future, subject to securing all necessary approvals. Based on the Operator's estimates a successful project sanction will provide the Company with a second producing asset in 3Q'15"

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Qualified Reserves and Resources Evaluator Statement

In accordance with ASX Listing Rule 5.42, the Company confirms that the hydrocarbon reserves information contained in this document in relation to the West Linapacan oil field is based on and fairly represents information prepared by Mr Stephen M. 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 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 release. The hydrocarbon reserves information contained in this document does not comply with Canadian or US standards of disclosure for oil and gas.

Additional information relating to the updated Reserves Assessment

The West Linapacan A oil field is located in SC 14C2, offshore Palawan Basin, Philippines (Refer Location Map).

The field has produced 8.5 million barrels in the past and the current SC 14C2 Joint Venture is planning to re-develop the field.

The re-development of West Linapacan A is based on a phased approach, using leased equipment where possible to minimise capital exposure. Current plans envisage drilling three horizontal, dual-lateral, subsea development wells tied back to a Floating Production System (FPU). Crude oil sales will be by ship-to-ship transfer from the FPU to a shuttle tanker. Part of the associated gas will be used as fuel. Produced water will be treated to industry standards and discharged overboard, in accordance with accepted practices in the Philippines.

The development plan is still being optimised, and has not as yet been submitted to the Philippines authorities for approval, but is sufficiently developed to provide Capital and Operating cost estimates that have been used as the basis of GCA's assessment. The Joint Venture will obtain the necessary environmental approvals from the Philippine authorities in conjunction with its submission of the development plan.

The West Linapacan 'A' field is considered as undeveloped at this time, with all future production coming from new wells and facilities. Current plans envisage production start-up from West Linapacan 'A' in 2015.

Since GCA's earlier assessment, the Operator has supplied GCA an updated set of technical information and cost estimates relating to the proposed development of the field which will now be developed with three multi-lateral wells rather than by two multi-lateral wells plus an optional third well that formed the basis of the earlier reserves assessment.

As part of its assessment work to update the reserves estimates, GCA reviewed new information provided by the Operator, RMA, and conducted its own analyses of said data-sets, amending the existing reservoir simulation models where necessary to reflect the revised timing and location of the proposed development wells. The analyses conducted by GCA, in arriving at its updated reserves estimates, comprised adjusting and re-running the history-matched reservoir simulation models in predictive mode, to derive the low, best and high case production profiles that formed the basis of GCA's reserves estimates.

The tables and information below summarise the Reserves for the West Linapacan 'A' field as at 28 February 2014 in accordance with the SPE/WPC/AAPG/SPEE Petroleum Resource System (SPE PRMS) Definitions and Guidelines and the ASX Listing Rules including proposed Listing Rules 5.25 to 5.44 where applicable.

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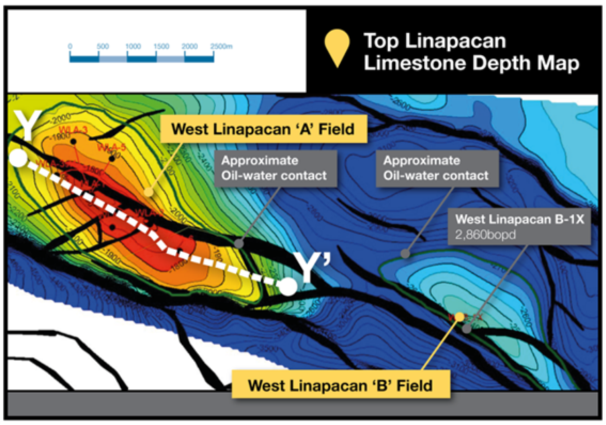
Development of SC 14C2 is governed by a Service Contract, the terms of which have been modelled by GCA in conducting Economic Limit Tests (ELTs) based on GCA Oil Price assumptions and Capital and Operating cost estimates provided by the operator. GCA Oil Price assumptions are based on a Brent Oil price forecast and adjusted for a quality differential after adjustments for insurance and freight. The average discount to Brent of US$2.18/Bbl applied to the Oil Price Scenario tabulated below was based on recent sales from Nido's nearby Galoc field. The analysis was run assuming an effective discount date of 28th February, 2014.

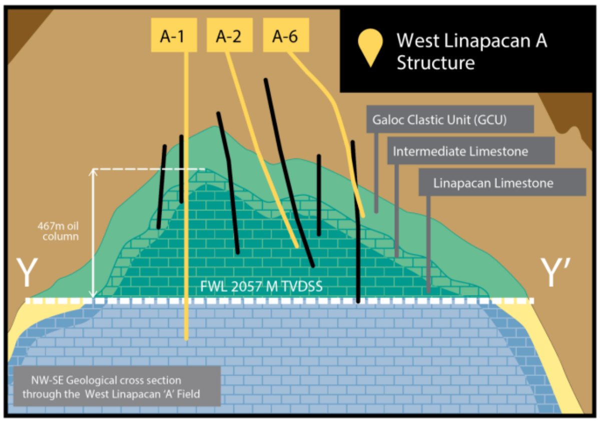
The GCA Brent Oil Pricing Scenario is shown below.

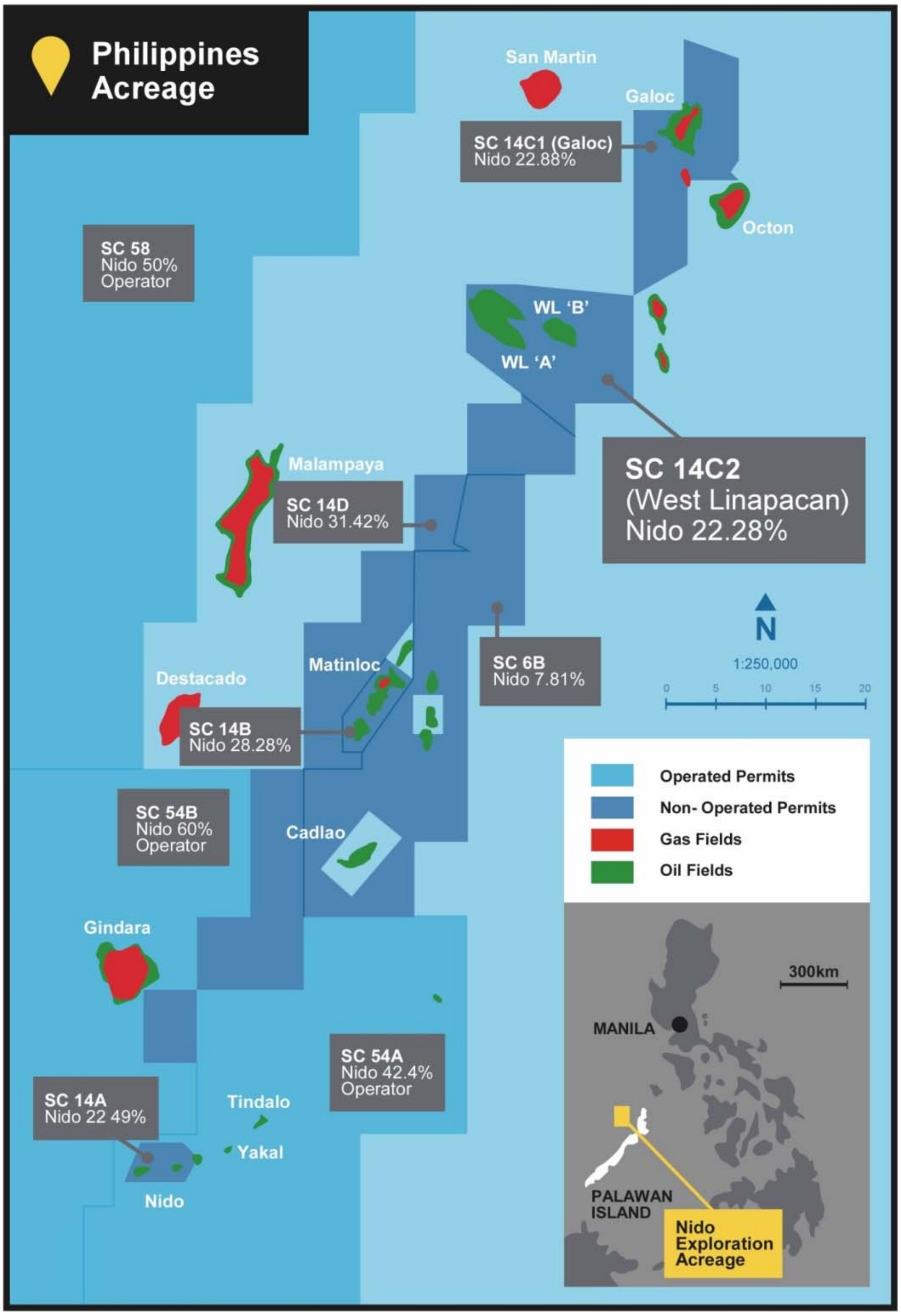
Period	Forecast Price Case (US$/Bbl)
2014	108.80
2015	102.88
2016	97.05
2017	96.28
2018	97.42
2019	99.37
Thereafter	+ 2.0% p.a.

Capital and Operating costs were assumed to escalate at 2.0% p.a. from 1st January, 2014.

GCA has considered production forecasts based on the Operator's re-development plan to be classified as Reserves under the sub-category 'Justified for Development'. Reserves were estimated using deterministic methods and have only been assigned to the planned development in the main Linapacan Limestone (LLS).







Location Map