

STRONG PERFORMANCE FOR NIDO (HALF YEAR 30 JUNE 2009)

Key Points

- **EBITDAX* before unrealised foreign currency losses of A\$8.6m**
- **Revenue from crude oil sales of A\$25.8m**
- **Increase in oil production to 343,659 barrels (2008 comparative: 15,275 barrels)**
- **Reduction in general and administration expenditure to A\$5.9m (2008 comparative: A\$8.4m)**
- **Targeting early development of the Tindalo Oil Field**

** EBITDAX – Earnings Before Interest, Tax, Depreciation and Amortisation.*

Nido Petroleum Ltd (ASX:NDO) today released its half-yearly financial results for the six months ending 30 June 2009, reporting earnings before interest, tax and impairment (EBITAX*) of A\$8.6 million, before unrealised currency losses.

Nido's President and CEO, Jocot de Dios commented on the first half result under review, saying that "The results represent a significant improvement from the same period last year and reflect the first full 6 months since the Galoc Oil Field came online against a backdrop of low oil prices. The performance of Galoc during the period demonstrates the potential of the field to deliver sustained production and cash flows over the long-term".

"Looking forward, we remain focused on commencing oil production in the near term from the Company's Tindalo development. The Tindalo project, with Nido as the Operator, has the potential to deliver a second income stream and significant revenues to advance and mature the Company's significant portfolio of exploration prospects in the Palawan Basin in the Philippines".

"Nido's balance sheet remains strong, with cash at 30 June 2009 of A\$9.1 million."

Production

Oil production for the half year from Nido's offshore oil fields in the Palawan basin in the Philippines was 343,659 barrels of oil net to the company (15,275 barrels for the same period last year) due primarily to the first full 6 months since the Galoc oil field came online in October 2008.

The average daily production rate from the field for the half year was 13,487 barrels of oil per day. Total production from the field has now passed 2.28 million barrels (508,779, net to Nido).

Development

Following the successful Tindalo and Yakal drilling campaign in Service Contact 54 Area 'A' in late 2008, Nido is pursuing a second source of revenue with the development of the Tindalo oil field in early 2010.

During the first quarter Nido completed initial screening studies on the potential of the Tindalo and Yakal discoveries with encouraging economics for a standalone development of the contingent resources confirmed at Tindalo

During the reporting period, on 15 May 2009, the Board announced its commitment to pursue the development of the Tindalo oil discovery in the Philippines and provide a second source of revenue to the company. Nido is now seeking to achieve a Final Investment Decision (FID) in the current quarter after the following work programme is successfully concluded:

- Confirmation of key project criteria including production and capital cost ranges and availability of project services and hardware; and
- Securing appropriate Joint Venture and Philippine Government approvals.

Should Final Investment Decision (FID) be approved by the Board, Nido will target first oil in early 2010, subject to the successful coordination of mobilising key pieces of hardware (Jack-up Drill Rig, floating storage and offtake vessel (FSO) and long lead items).

Exploration

Nido's exploration programme for the balance of the year will target a number on new activities within the company's key offshore service contracts in the Palawan basin in the Philippines. Key activities include:

- **Service Contract 54 Area 'B'** - a continuing review of the Prospect and Lead inventory based on the Abukay 3D PSDM seismic data set commencing with the Gindara Prospect;
- **Service Contract 58** - a comprehensive sea-bed coring and multi-beam program aimed at further mitigating hydrocarbon charge risk within the block ahead of drilling the Sub Phase 3 commitment well; and
- **Service Contract 63** - acquisition of a 3D seismic survey over the greater Aboabo area to provide a more comprehensive understanding of the Aboabo-1X gas discovery. Acquisition and processing of the seismic data will be the main focus of exploration work and subject to vessel availability, the 3D seismic is anticipated to be acquired in the December quarter.

A handwritten signature in black ink, appearing to read "Jocot de Dios".

Jocot de Dios
President & CEO
7th September 2009

- ENDS -

*** All Dollars are Australian Dollars (A\$) unless otherwise stated*