

14 October 2009

Company Announcements Office  
Australian Stock Exchange Limited  
Level 10, Exchange Centre  
20 Bond Street  
SYDNEY NSW 2000

## Galoc Update

On 14 October 2009, Otto Energy Ltd reported its updated Reserves and Contingent Resources estimates for the Galoc Oil Field. These reported figures are based upon Otto's own internal estimates and it has not been reported that there has been any independent review of these estimates. Nido notes that it has neither reviewed nor supports the reserve estimates concerned at this time.

As stated by Nido on 5 October 2009, Nido is undertaking its own review of the developed and undeveloped reserves for the Galoc Oil Field and will have these estimates independently reviewed. This study will provide confidence on production expectations from the currently producing wells and will provide a technically sound basis for determining the drilling targets and assessing the value of a potential Galoc Phase 2 development. This study has been initiated by Nido and is expected to conclude in January 2010. Nido will update the market accordingly at that time.

Yours sincerely



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## About Nido Petroleum Limited

Nido Petroleum Limited is an oil and gas company with over 2,945,000 hectares (29,450 sq km) of exploration and development assets in the North West Palawan Basin in the Philippines.

Nido's core production asset includes a 22.879% interest in the Galoc oil field. Galoc lies within SC14 in 300 metres of water, some 60 km offshore of Palawan Island. The Galoc reservoir is some 2,200 metres below the sea floor and first production commenced 9 October 2008.

Just as Galoc started flowing oil, Nido completed drilling in the neighbouring exploration assets (SC 54A) resulting in two new oil discoveries at Yakal and Tindalo, a 100% strike rate that punctuates a drought of over 14 years in the Philippines. Nido intends to fast-track the Tindalo development targeting first oil early 2010.

### WORKING INTERESTS SCHEDULE

#### SERVICE CONTRACT 14 C1 (GALOC OIL FIELD)

Participant	Participating Interests (%)
Galoc Production Company WLL (Operator) *	58.845
<b>Nido Production (Galoc) Pty Ltd</b>	<b>22.879</b>
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.785
The Philodrill Corporation	7.215
Forum Energy Philippines Corporation	2.276

\* Otto Energy Ltd owns 31.4% of Galoc Production Company WLL