

Tuesday, 26 February 2008

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

Galoc 4 Surpasses Expectations

Nido Petroleum Limited (Nido) is pleased to announce that the Galoc 4 horizontal production well successfully flowed oil to surface at 6,465 barrels of oil per day (bopd) on 26 February 2008. Highlights were:

- ✓ Galoc 4 flowed oil to surface unassisted, exceeding initial expectations
- ✓ An oil flow rate of 6,465 bopd (at 52/64" choke) was achieved
- ✓ Flow rates from both Galoc 3 and Galoc 4 have been constrained to less than their maximum potential by the Energy Searcher's facilities.
- ✓ Galoc 3 and 4 are now ready for production service.

Nido's Chief Executive Officer, Mr. Jocot de Dios, said "This is a particularly exciting time for Nido as first oil will deliver the cashflow to fund our forthcoming exploration programme. We continue to be bullish as to what the North West Palawan Basin holds for us. We are, of course, also very excited about what Galoc means for the Philippines, given the country's dependence on imported oil."

Delighted by Results

Nido's Deputy Managing Director, Ms Joanne Williams, said "The flow results from Galoc 4 are tremendous (see image attached). Both wells have flowed to surface at commercial rates and are ready to be hooked up to the FPSO. Nido estimates that the combined productivity of the two wells is at the high end of the expected range. This will be confirmed following an update to the reserves certification which Gaffney, Cline and Associates will perform on Nido's behalf."

"With the drilling and completions phase concluded, the focus of the project has turned towards the hookup and commissioning of the FPSO and the anticipation of first oil."

Forward Plan

Both wells are now shut-in pending the installation of the mooring and riser system and hook-up to the FPSO 'Rubicon Intrepid' over the coming weeks. The drill ship

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'Energy Searcher' will demobilise to Singapore prior to being released from service by the project. The specialist installation vessel 'Lewak Champion' will arrive at site shortly to commence work.

A link to the daily drilling updates is provided on the Nido home page www.nido.com.au. Nido will provide the market with a weekly project summary each Wednesday and will continue to notify the market immediately of material events throughout the Galoc development programme.

Yours sincerely



Joanne Williams
Deputy Managing Director

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Galoc 4 Flow Test...

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Flare Arm Location



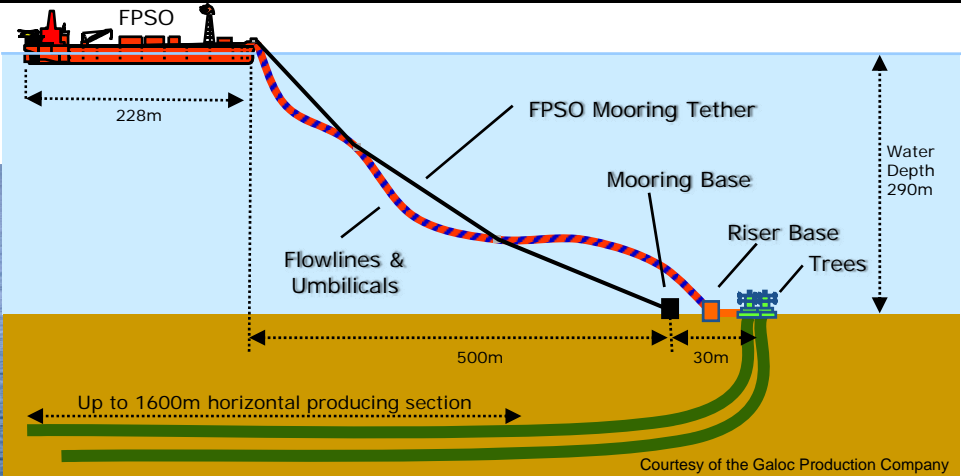
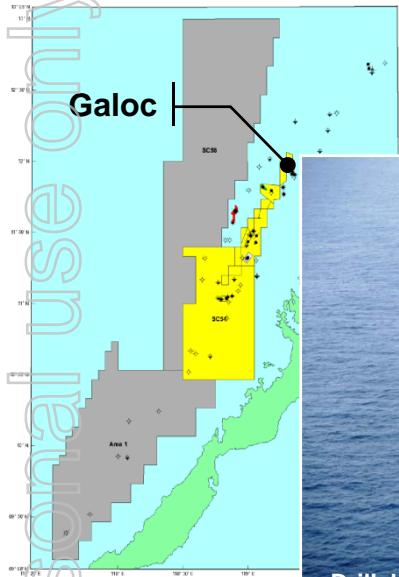
Drillship 'Energy Searcher' on location at Galoc



Galoc Oil Field...

Discovered 1981... Development 2007

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FACT SHEET

- **Location:** SC14 Block C, Philippines
- **Water Depth:** 290m
- **Discovered:** 1981
- **Geological Setting:** Tertiary turbidite sandstone with 57+m oil column
- **Past Drilling:** Two wells plus two sidetracks drilled into the structure
- **Testing:** 5 month extended well test (1988), produced 385,000 bbl, 35° API oil
- **Seismic:** 3D seismic coverage over field
- **Estimated project cost:** US\$104 million including contingency
- **Scheduled First Oil:** 1Q 2008
- **Estimate Initial Production Rate:** 17,500 bopd

GCA Certified Reserves for Galoc*

	1 st Phase	2 nd Phase	
1P	9.7MMstb	3P	41.9MMstb
2P	23.5MMstb		

* Certified by Gaffney Cline & Associates for Nido Petroleum Ltd in November 2006

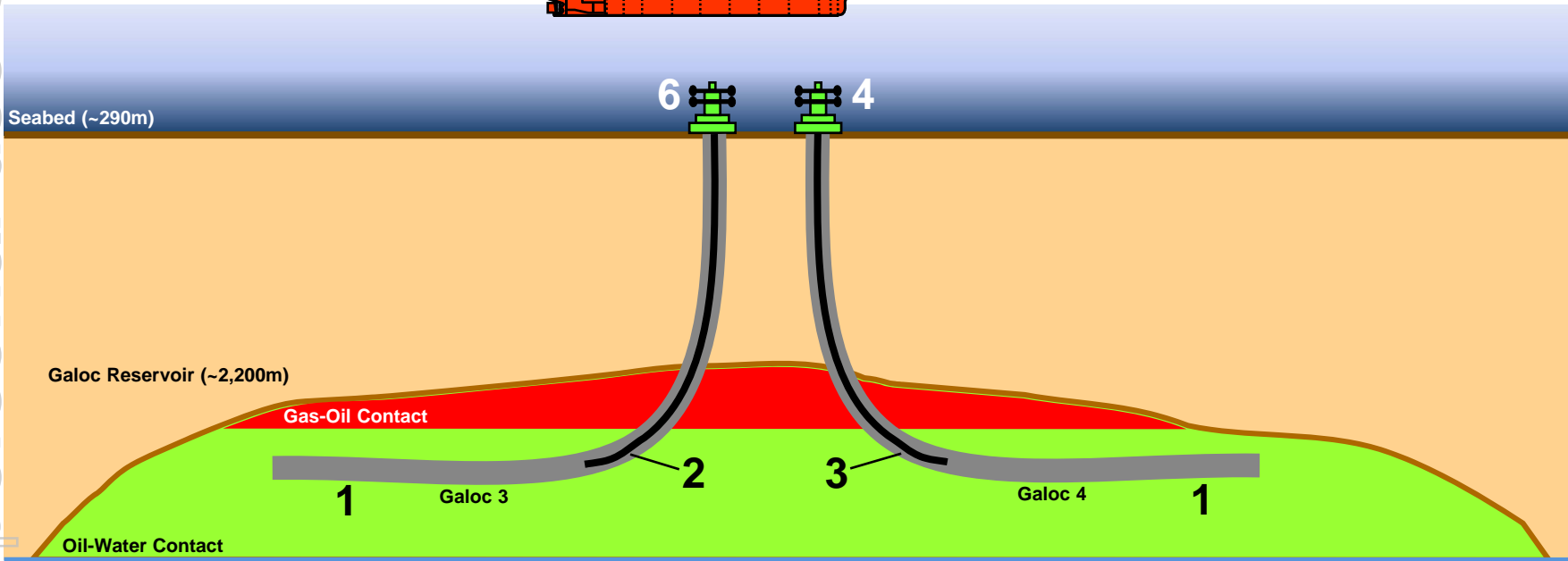
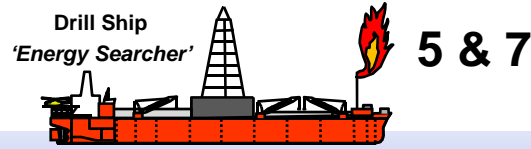
Working Interests:

- **Nido Petroleum Ltd** **22.28%**
- Galoc Production Company (*Operator*) **58.29%**
- Oriental/LOGPOCOR **7.57%**
- Philodril Corporation **7.02%**
- Forum Energy **2.27%**
- Alcorn Gold Resources **1.53%**
- Petroenergy Resources Corp. **1.03%**



Completing Galoc Development Wells... A Step-by-Step Guide

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		Est. Time
✓	Drill wells	completed
✓	Galoc 3: Install (run) production completion	completed
✓	Galoc 4: Install (run) production completion	completed
✓	Galoc 4: Install and test subsea trees and controls	completed
✓	Galoc 4: Clean-up and flow test; prepare well for production	underway
✓	Galoc 3: Install and test subsea trees and controls	completed
✓	Galoc 3: Clean-up and flow test; prepare well for production	completed
8.	Release rig	1 day