

1 March 2012

Australian Securities Exchange Limited
Company Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Galoc Reserves Update

Nido Petroleum Limited ('Nido', ASX:NDO), is pleased to provide the results of an independent reserves audit of the Galoc oil field up to 31 December 2011 undertaken by Gaffney Cline and Associates ('GCA') on behalf of Nido.

Nido has a 22.879% Participating Interest in the Galoc oil field in Service Contract 14C1 and has historically conducted its own independent assessment of reserves to that undertaken on an annual basis by the Galoc Production Company (GPC), Operator of the Galoc field.

Following the GCA review, Nido wishes to report the following:

- The Estimated Ultimate Recovery (EUR) for the Galoc field at the Proved (1P) category level on a 100% basis has increased by 16.45% from 12.4 million stock tank barrels (MMstb) to 14.44 MMstb;
- The EUR of the 2P category level on a 100% basis has increased from 18.6 MMstb to 22.89 MMstb, an increase of 23.06%; and
- The EUR of the 3P category level on a 100% basis has increase from 26.3 MMstb to 29.44 MMstb, an increase of 11.94%.

A breakdown of the change in EUR compared to 30 June 2011 and Reserves for the field and Nido's Net Entitlement as at 31 December 2011 is outlined in the table below:

| Estimated Ultimate Recovery (EUR) (100%) and Reserves ¹ | 1P Proved | 2P Proved + Probable | 3P Proved + Probable + Possible |
|--|--------------|----------------------------|--|
| | MMstb | MMstb | MMstb |
| EUR at 30 June 2011 | 12.4 | 18.6 | 26.3 |
| EUR at 31 December 2011 | 14.44 | 22.89 | 29.44 |
| Percentage Change in EUR | 16.45% | 23.06% | 11.94% |
| Cum. Production October 2008 to 31 December 2011 | 8.46 | 8.46 | 8.46 |
| Gross (100%) Reserves at 31 December 2011² | 5.98 | 14.43 | 20.98 |
| Nido's Net Entitlement Reserves at 31 December 2011² | 1.27 | 3.07 | 4.34 |

1. All oil volumes are quoted in Million Stock Tank Barrels (MMstb).

2. In accordance with ASX Listing Rule 5.11, the Company confirms that the hydrocarbon reserves information above was reviewed and signed off by Mr David S. Ahye, B. Eng., Principal, Asia-Pacific, Gaffney Cline & Associates, who is a member of the Society of Petroleum Engineers and has at least five years' experience in the sector. Mr Ahye is not an employee of the Company and consented in writing to the inclusion above of the hydrocarbon reserves information in the form and context in which it appears.

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The reported increase in the EUR for the 1P, 2P and 3P categories is attributable to better than expected reservoir performance during the second half of 2011.

GCA has reviewed the Galoc field in accordance with the SPE/WPC/AAPG/SPEE Petroleum Resource Management System (SPE 'PRMS') Definitions and Guidelines and the ASX Reserves Definitions.

Yours sincerely



Phil Byrne
Chief Executive Officer

SERVICE CONTRACT 14 C1 (GALOC OIL FIELD) WORKING INTERESTS TABLE

| Participant | Participating Interests (%) |
|---|-----------------------------|
| Galoc Production Company WLL (Operator) * | 33.00 |
| Galoc Production Company (2) Pte Ltd | 26.84 |
| Nido Production (Galoc) Pty Ltd/Nido Petroleum Philippines Pty Ltd | 22.88 |
| Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation | 7.79 |
| The Philodrill Corporation | 7.21 |
| Forum Energy Philippines Corporation | 2.28 |

* Galoc Production Company is owned by Otto Energy Ltd (ASX: OEL) - 33% working interest.