

17 December 2008

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

Galoc Oil Field Update

The Galoc field operator, Galoc Production Company (GPC), advised Nido Petroleum Limited (Nido) late yesterday that there will be production downtime for an inspection of the mooring and riser system following a recent disconnection prompted by adverse weather (see attached GPC update).

Production from the field is expected to return to normal after this work is completed.

Nido will continue to provide updates to the market on Galoc production on an exception basis and will report production data in its quarterly reports.

Yours sincerely



Jocot de Dios
President and Chief Executive Officer

For more information please contact:

Mr. Jocot de Dios
President and Chief Executive Officer
Ph: +61 8 9474 0000
F: +61 8 9474 0099
www.nido.com.au

16 Dec 2008

Galoc Field – FPSO Disconnection

For operational reasons the production at the Galoc Field has been suspended to allow the FPSO Rubicon Intrepid to disconnect from the mooring and riser system. This disconnection was prompted by adverse weather and FPSO equipment availability.

At this time arrangements are being made to undertake an inspection of the mooring and riser system. This will be undertaken as soon as suitable ROV equipment is mobilized to the field and weather permits, nominally end of this week. The findings of the inspection will enable the need for any remedial action to be established.

Additional Notes

General Information

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km north west of Palawan in the Republic of the Philippines. The development involved the construction of two subsea completed horizontal production wells, with extended reservoir contacts, tied back to a Floating Production Storage and Offloading (“FPSO”) facility via a short seabed pipeline and mid water riser system. Most likely oil reserves as estimated at time of commitment to the development in 2006, is approximately 10 million barrels. The reserves estimate and requirement for additional wells and facility capacity will be reassessed following an analysis of results from initial field production performance.

The participating interests in the Galoc Field are as follows:

| Participant | Participating Interest % |
|---|--------------------------|
| Galoc Production Company W.L.L. ¹ (Operator) | 58.29 |
| Nido Petroleum Philippines Pty Ltd | 22.28 |
| The Philodrill Corporation | 7.03 |
| Oriental Petroleum & Minerals Corporation/ Linapacan Oil Gas & Power Corporation | 7.57 |
| Forum Energy Philippines Corporation | 2.27 |
| Alcorn Gold Resources Corporation | 1.53 |
| PetroEnergy Resources Corporation | 1.03 |

1 Galoc Production Company is owned by;
 Vitol 68.6%
 Otto Energy 31.4%

Further information on GPC and the Galoc Field can be obtained from:

- GPC’s website www.galoc.com
- via email, at enquiry@galoc.com
- or by contacting
 - Jax Mariano
Tel: +63 918 9109581