

27 October 2009

Australian Securities Exchange Limited  
Company Announcements Office  
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SYDNEY NSW 2000

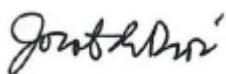
### Galoc Operations Update

The Galoc oil field operator, Galoc Production Company W.L.L. (GPC), has advised Nido Petroleum Limited (ASX: NDO) that production has been temporarily suspended pending completion of a cargo offloading (see attached). The FPSO is currently at storage capacity and has been unable to off-load due to an issue with the export hose.

The offtake tanker is at site and the FPSO remains connected to the mooring and riser system and ready to resume production once the offtake is completed.

Nido will advise the market when production resumes which is currently expected to be the week commencing 9th November 2009.

Yours sincerely



**Jocot de Dios**  
President and Chief Executive Officer

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**WORKING INTERESTS SCHEDULE**  
**SERVICE CONTRACT 14C-1 (GALOC OIL FIELD)**

Participant	Participating Interests (%)
Galoc Production Company WLL (Operator) *	59.845
<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*

**About Nido Petroleum Limited**

Nido Petroleum Limited is an oil and gas exploration and production 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 SC 14C-1 in 300 metres of water, some 60 km offshore 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 54) 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. Revenues from expected production from Tindalo will augment the Company's current revenue stream from the Galoc oil field.

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**Galoc Field – Temporary Suspension of Production**

GPC advise that production from the Galoc Field, offshore the Philippines, has been temporarily suspended with the FPSO storage being full as a result of an ongoing delay to a scheduled offloading. This delay is due to a problem with the export hose, a replacement for which has been sourced and is being mobilized from Singapore which will allow off loading during week commencing 9<sup>th</sup> November. Equipment to undertake alternative off-loading operation is presently available in the field and may be implemented given a suitable opportunity. Meantime the FPSO remains in the field connected to the mooring and riser system and production will recommence once offloading has been undertaken.

## 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. <sup>1</sup> (Operator)	59.84473
Nido Petroleum Philippines Pty Ltd	22.87952
Oriental Petroleum & Minerals Corporation/ Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575

Galoc Production Company is owned by;

Vitol Group	68.6%
Otto Energy Limited	31.4%

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

- GPC’s website [www.galoc.com](http://www.galoc.com)
- via email, at [enquiry@galoc.com](mailto:enquiry@galoc.com)
- or by contacting
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