



8 November 2006

Australian Stock Exchange Limited
Company Announcements Office
20 Bridge Street
Sydney, NSW 2000

3D Seismic Acquisition Commences

Please find attached a copy of a press release issued by the operator of SC 54, Nido Petroleum Limited, in respect of the commencement of 3D seismic operations on the permit.

For further information, contact
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7 November 2006

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

Dear Sir

Nido Commences 3D Seismic Acquisition in Service Contract 54

Nido Petroleum Limited (**Nido**) is very pleased to announce the commencement of a 3D seismic acquisition program in Service Contract 54 (**SC 54**), in the Palawan Basin, offshore the Philippines. Nido is undertaking the survey as Operator of SC 54, where it partners with Yilgarn Petroleum Philippines Pty Ltd.

Veritas Geophysical (Asia Pacific) Pte Ltd (Veritas) has been selected as contractor to both acquire and process this landmark survey. On Friday, 3 November 2006, the Veritas 'Viking II' commenced acquisition with the 'first shot' of a 3D seismic survey expected to take approximately 30 days to complete. The Viking II, one of the flagship vessels in Veritas' fleet, employs state-of-the-art solid streamer technology. On completion of acquisition Veritas will undertake processing of the survey through to hybrid-Pre Stack depth migration with delivery of interim processed products commencing with fast-track data within two weeks of survey completion.

3D seismic data provides a high resolution image of the subsurface structure and is widely used by the industry to mature leads to drill-ready prospect status, particularly in the exploration of deepwater targets. Working in close collaboration with Veritas, delivery of fast-track and interim products will help expedite an accelerated build of the Prospect Inventory.

This survey has been designed to mature a range of potential targets, in particular providing the first 3D images of the large Coron North structure, the Miocene turbidite play fairway in SC 54 and the Coron-1 prospect previously drilled in 1993. The principle turbidite targets include a potentially extensive submarine fan reservoir system ponded against the outboard Princesa structural high, as well as its Galoc-style feeder system. Similar turbidite plays have proved extremely successful in several major Miocene basins worldwide.

This 3D survey follows the successful completion by Nido of a regional 2D seismic acquisition program in SC58 and SC54 on 18 October 2006. The survey was acquired as part of a larger Palawan Basin seismic program led by the Philippine National Oil Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'DWT', with a horizontal line extending to the right.

David Whitby
Managing Director