



10 January 2007

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

Dear Sir

Service Contract 54: 3D Seismic Acquisition Operations Update

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

For further information, contact
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SYDNEY NSW 2000

Dear Sir

Service Contract 54: 3D Seismic Acquisition Operations Update

Following the recommencement of its 3D seismic acquisition on 16th December 2006, Nido Petroleum Limited (**Nido**) is very pleased to provide an update on the Abukay 3D seismic survey in the northern portion of Service Contract 54 (**SC 54**) in the Palawan Basin, offshore the Philippines.

A 3D seismic survey totalling 640km² has now been completed, providing 3D coverage over the key prospects and leads identified in SC 54. These are the Coron North target, the Coron-1 structure, as well as providing significant 3D coverage over the Princesa turbidite play.

Initial impressions are that the data quality is very good due to stringent technical quality control throughout the acquisition. Processing of the 640km² survey area will commence over the next week with the initial 3D volume due for delivery and ready for interpretation prior to the end of January. Evaluation of this initial substantial 3D volume will commence immediately thereafter providing the first critical insights into building a risked and ranked high-graded prospect inventory in SC 54.

The completion of the 640km² 3D, in combination with the 2D acquired in the third quarter of 2006, satisfies the work commitments of the current phase of the SC 54 contract area.

The SC 54 Joint Venture plan to acquire an additional 180km² of 3D in the second quarter of 2007 to further evaluate the Pagasa turbidite play fairway. This additional survey area will be acquired by mid-2007 by Veritas Geophysical (Asia Pacific) Pte Ltd under the same contractual agreement.

Yours faithfully



David Whitby
Managing Director