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

SC 54 Update : Coron North estimated at up to 450 million barrels oil

Nido Petroleum Limited (Nido) is pleased to provide a further update with respect to the ongoing exploration programme in Service Contract 54 (SC 54). SC 54 is currently being evaluated jointly between Nido and SC 54 Joint Venture partner, Yilgarn Petroleum Philippines Pty Ltd (Yilgarn) focussing on two areas in the north of the permit.

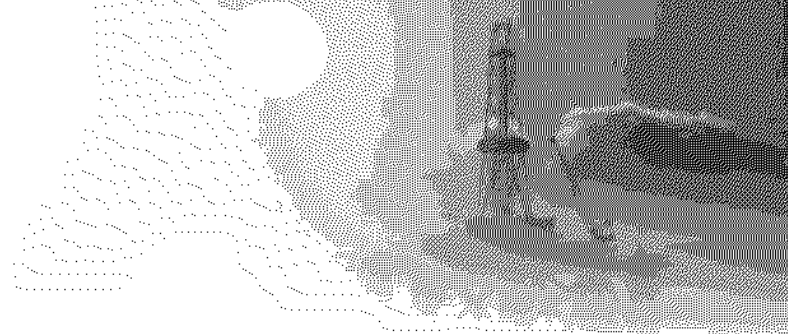
1. The first area is covered by the recent 640km² 3D seismic acquired as part of the 'Abukay' 3D survey. The Coron North prospect is technically robust and shows potential for up to 450 million barrels of oil in place. The Princesa lead is also developing positively, together with a number of new 'Princesa-style' leads, with the benefit of the high quality 3D seismic.
2. The second area is the shallow waters in the eastern part of SC 54. Nido is focussed on finding new opportunities here which may be quickly and inexpensively brought onto production to generate early cash flow. Nido has identified over 24 of these structures in SC 54, similar and nearby to those currently producing in the Nido oil fields, which may allow Nido the opportunity of rapid production and commercialisation.

The attached map (Figure 1) is a preliminary Prospect and Lead Map for SC 54 based on the latest seismic interpretation. Currently more than 30 features have been identified within the focus areas outlined above and further work is planned to evaluate the southern areas of the permit.

I. Coron North Prospect

The 3D seismic interpretation has confirmed Coron North as a strong drilling opportunity. Oil-in-place volumes for Coron North are estimated at up to 450 million barrels based on a closure area of almost 15km² and reservoir quality from nearby wells.

Nido's Head of Exploration, Mr Jon Pattillo, says, "Nido is pleased that the 3D seismic is starting to deliver tangible exploration results, in particular the Coron North prospect, which is developing into an attractive drilling opportunity".



Although further technical and commercial analysis remains to be completed before Coron North is mature for drilling, Nido and its partner, Yilgarn, are excited by the strength and potential size of the structure as confirmed by the 3D seismic.

II. Princesa Lead

The 3D seismic data has confirmed the presence of the Pagasa turbidite play, including the large Princesa lead, in the western part of SC 54.

An additional 180km² 3D seismic programme is planned in the third quarter of 2007 to determine the extent of this play and to confirm the reservoir architecture.

III. New Leads

The high quality 3D seismic has also uncovered a number of new leads similar to both the Coron North prospect and the Princesa lead, which provides greater upside potential within SC 54.

Laurie Brown, Exploration Director of Yilgarn, says, "Early indications on the fast-track 3D for the presence of a number of large scale submarine fan targets within SC54 is extremely encouraging. The JV is instilled with significant confidence that from the evolving portfolio a range of drill-ready commercially attractive targets will mature"

IV. Multiple Shallow Water Targets

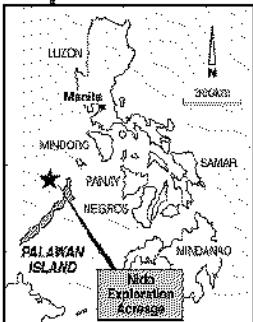
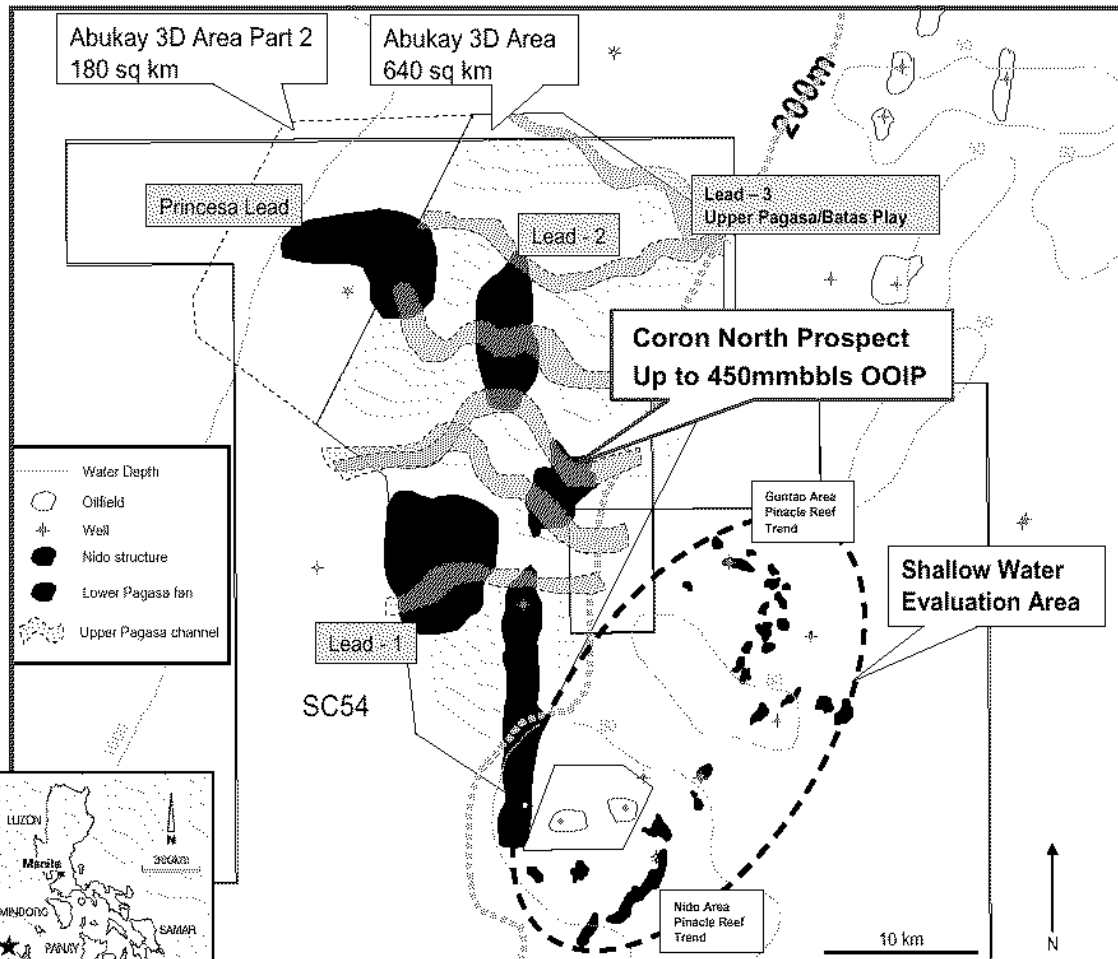
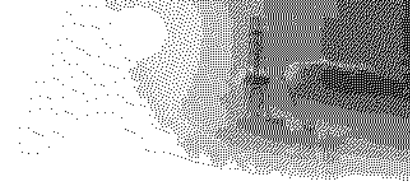
Initial interpretation of the eastern portion of the permit has identified 24 pinnacle reef structures in less than 120 metres water depth, covered by Nido's pre-existing 3D seismic data. This reef trend is of particular interest given its proximity and similarity to the producing Nido oil fields.

These pinnacle reef structures are potential candidates for rapid exploitation given the lower drilling and development costs afforded by the shallow water depths. Detailed technical and engineering work will be conducted over the next few months to determine the commerciality of these features.

Nido's Managing Director, Mr David Whitby says, "These results validate Nido's long-held belief in the prospectivity of SC 54 and the Palawan Basin as a whole. The opportunities currently being evaluated in SC 54 provide Nido with a significant prospect and lead portfolio from which to select a number of high quality candidates for drilling in the next sub-phase of the Service Contract."

For further information about Nido's activities please visit www.nido.com.au or contact the Perth office on +61 (8) 9474 0000.

Figure 1
Location SC 54 Prospects and Leads



■ **Abukay 3D Area:**

- 5 Leads identified in three play fairways
- Coron North large structural closure
 - OOIP: up to 450mmbbls
 - ~15 sq km closure
- New play fairway recognised at Pagasa/Batas level:

■ **Shallow water Evaluation Area (<120m):**

- 24 undrilled Nido Limestone pinnacle reefs identified in two areas
- Potential for rapid and low cost development for early cash flow