



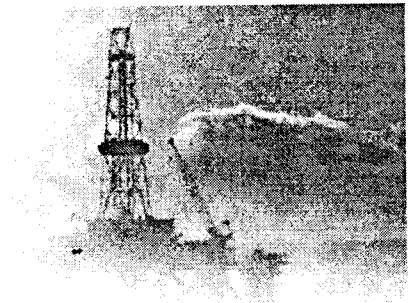
14 January 2008

Companies Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Nido Captures Signal Head Oil Discovery

Please find attached copy of ASX announcement issued by the company's joint venture partner and operator of Service Contract 54.

For further information, contact:
Mr Paul Fry
Telephone: +61 8 9388 6711
Email: paulfry@kairikienergy.com



Friday, 11 January 2008

Our Ref: D/08/302

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

Nido Captures Signal Head Oil Discovery

Nido Petroleum Ltd (Nido) is pleased to announce a 12,000 hectare extension to the north-east of Service Contract 54 (SC54) through the relinquishment of an equivalent area from the less prospective south-eastern boundary. The new acreage includes the Signal Head oil discovery and additional exploration potential. Following grant of the extension, Nido will commence acquiring seismic data over this area immediately using the Pacific Titan seismic vessel.

Deputy Managing Director, Ms Joanne Williams, said, "Nido was keen to include this acreage in its current work program because of its potential to contribute to The Philippines' 2010 energy self-sufficiency targets and I am excited to start work immediately on the evaluation of this area."

"Nido will start acquiring seismic tomorrow. The rapid inclusion into our ongoing seismic program is evidence of the outstanding commitment our team and our Joint Venture partner Kairiki Energy Ltd have to maximising the potential of this area."

With the addition of the Signal Head oil discovery to our asset base, the total number of undeveloped oil discoveries in SC54 increases to three. This cluster of discoveries and leads in shallow water offers near-term production potential and provides the next development focus for Nido after Galoc production is brought online.

Please see the attachments for further details. Progress updates of the seismic program will continue to be provided to the market every second Friday.

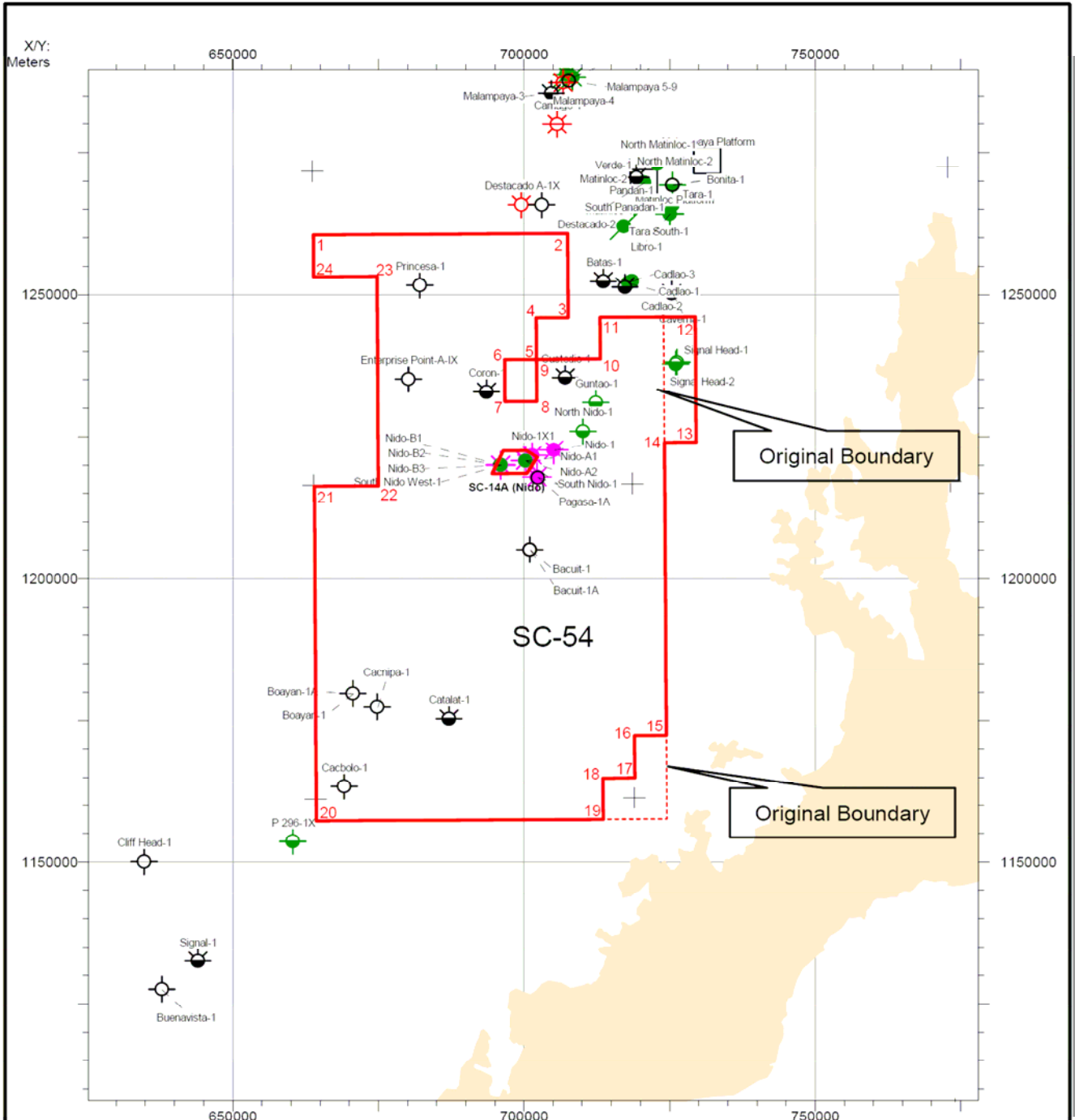
Yours sincerely



Joanne Williams
Deputy Managing Director

SC 54 Boundary Realignment

The DOE notified Nido this week that its boundary reconfiguration application was successful. The north eastern boundary of SC54 will be extended by 12,000 hectares to capture the Signal Head oil discovery. An equivalent area will be relinquished in the less prospective south-east area of the contract to maintain the total service contract area.



Signal Head

There have been 2 wells drilled in this area, both discovered hydrocarbons.

Signal Head 1 and 2 wells were drilled in 1977 and 1979, respectively. Both wells were drilled in around 70 metres of water and targeted Lower Miocene reef structures similar to those at the producing Nido and Matinloc oil fields. Signal Head was listed as a discovery with oil shows. At the time Signal Head was regarded as uneconomic. Nido will be reevaluating the structure immediately using the existing and new seismic data and well information.

There is significant follow-up potential in the area of Signal Head including two leads that have already been identified.

Seismic Acquisition Planned Next Week

Nido plans to accelerate the evaluation of this area by immediately acquiring 19 x 10 km of full fold seismic coverage in a modern tightly-spaced grid over this additional acreage from 12 January 2008. When the data is processed this will produce an 18 square km 3D image of the leads (represented in blue below). This constitutes a 38% increase in the SC54 seismic program.

