



5 June 2008

Australian Securities Exchange Limited
Company Announcements Office
Level 4 Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Nido contracts the 'WilBoss' rig for 2008 drilling program in SC 54

Nido with its Joint Venture partner Kairiki Energy Limited (Kairiki), is pleased to announce it has entered into an assignment agreement with Premier Oil Vietnam Offshore B.V. (Premier) and WilBoss Ltd to contract the 'WilBoss' drilling rig for a firm two-well shallow water program with the possibility to extend the contract to further wells. The 'WilBoss' will be used to execute the accelerated shallow water strategy in Service Contract 54 (SC 54) in the Philippines as recently announced.

Nido's Head of Exploration, Jon Pattillo, said "We are extremely pleased to have secured the 'WilBoss' jack-up drilling rig from Premier given the current tight rig market in South East Asia. We expect the rig to come on hire in October 2008 and look forward to working with WilBoss Ltd, the owner of the 'WilBoss', and their operating company, Premium Drilling, to deliver a safe and cost effective drilling program later this year. The 'WilBoss' is a new-build rig and left the shipyard in March 2008. It can drill in water depths up to 400ft which gives the Joint Venture both the capability and flexibility to reach all identified drilling targets in our SC 54 shallow water portfolio."



Ms Joanne Williams, Nido's Deputy Managing Director, added "This will be Nido's first operated drilling program and I am thrilled to have contracted the 'WilBoss'. With the rig contract now under our belt, the shallow water team's efforts over the coming months will be focused on ranking our 20+ targets and conducting subsea surveys to optimize our selection of the final drilling locations. Should the drilling program at year-end be successful, this area has the potential to deliver a near-term development and material cashflow to both Nido and Kairiki."



Mr Pattillo went on to say “With the shallow water program moving into the delivery and execution phases, we are also advancing negotiations for a semi-submersible rig to drill the deeper water SC 54 Gindara Prospect in 2009. A further announcement will be made on this matter in due course.”

WilBoss Ltd is a subsidiary of Norwegian company Awilco Offshore ASA, which has a fleet of rigs operating around the world. Further details on Awilco and the WilBoss drilling rig can be found on their website at www.awo.no. Information regarding Premium Drilling can also be found at www.premiumdrilling.com.

Yours sincerely



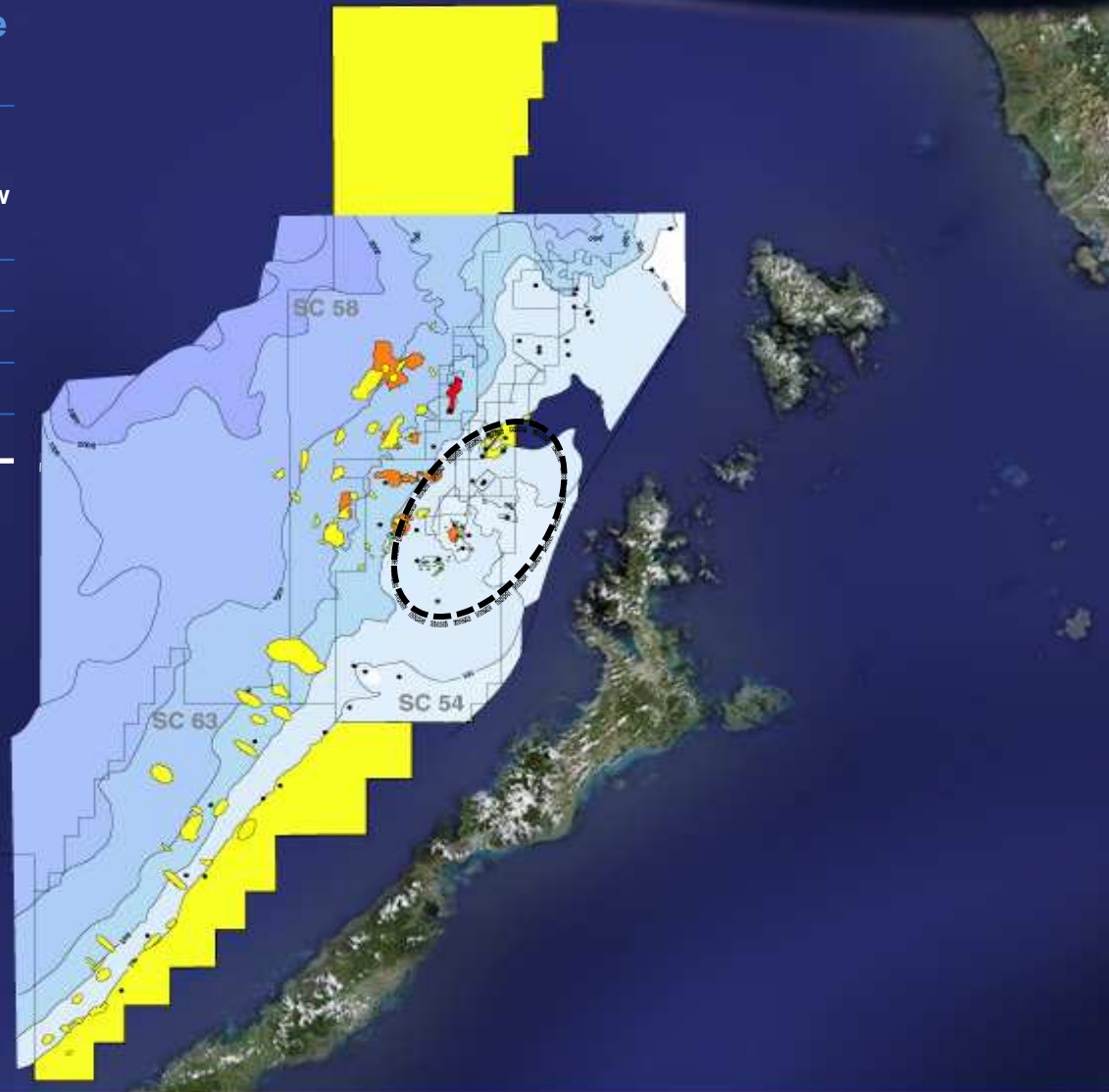
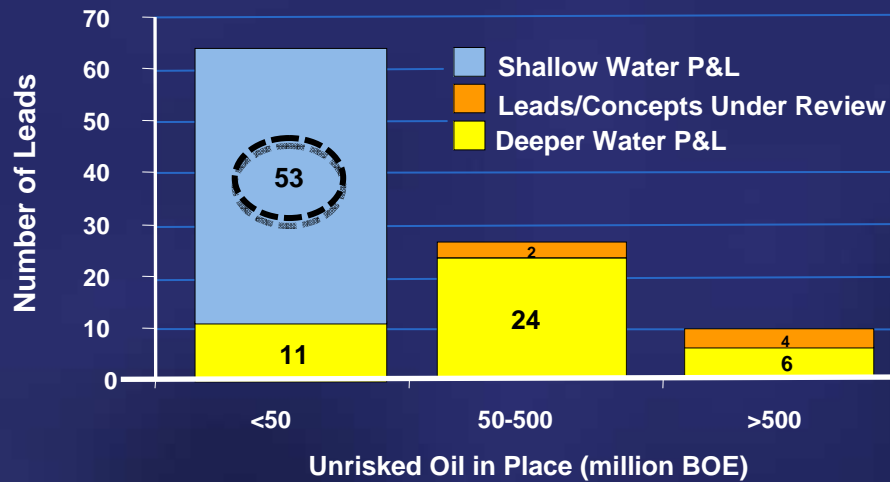
Joanne Williams
Deputy Managing Director

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Pursuing the Shallow Water Program

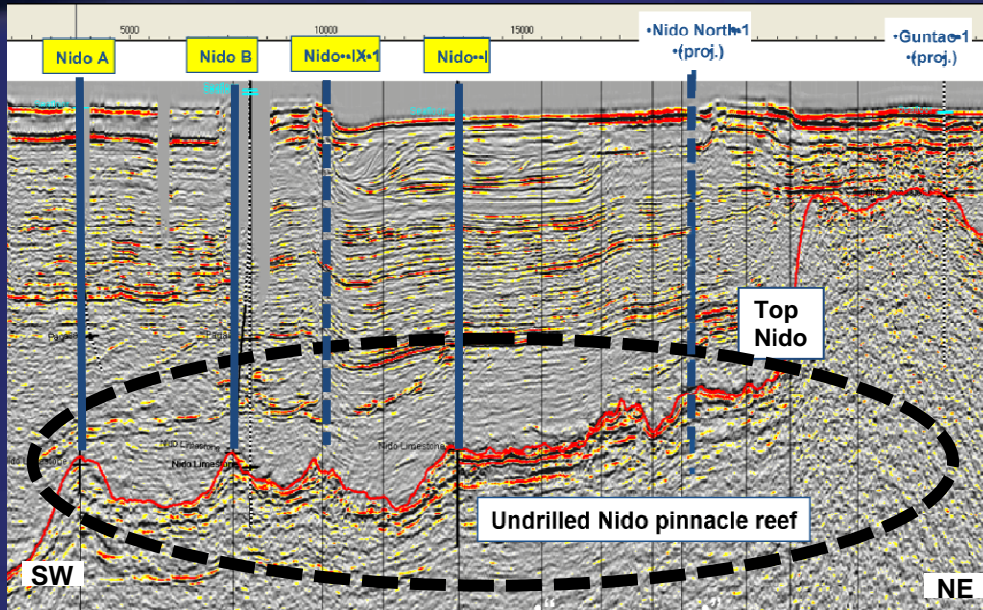
Prospects and Leads Distribution by Volume
(as of May 2008)



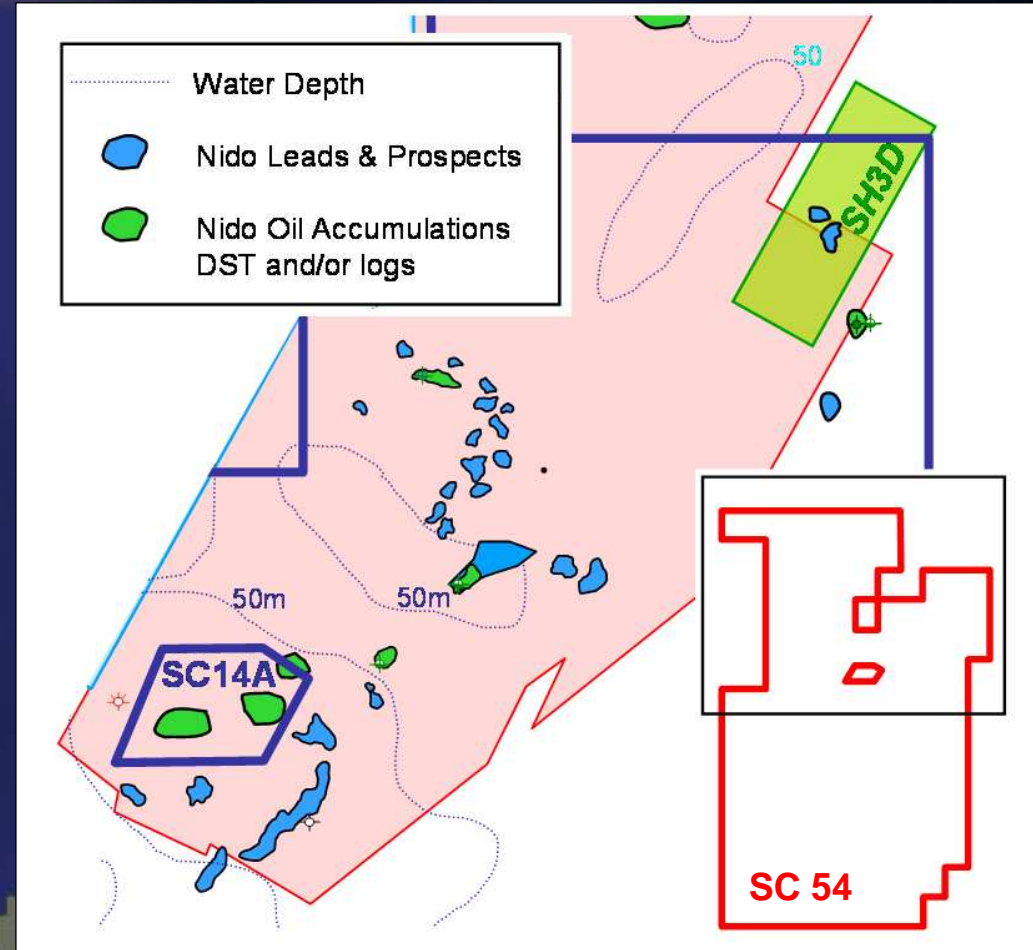
- 🔥 Covered by existing 3D seismic
- 🔥 Water depth less than 120m
- 🔥 Low risk, proven oil fairway (over 50% historical success rate)
- 🔥 Low cost drilling and rapid oil development opportunities
- 🔥 Operatorship and control at 60% in SC54



SC 54 Shallow Water Focus Area



- 🔥 Shallow water area covered by newly acquired 3D seismic
- 🔥 Over 20 Nido pinnacle reef discoveries and prospects defined in focus area
- 🔥 Potential oil-in-place ranging from 2-20 million barrels per target
- 🔥 2 firm wells to be drilled by the WilBoss in 2008



Shallow water focus area
defined by jack-up drilling depth (<120m)