

2 July 2008

Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

Nido Weekly Operations Update to 2 July 2008

Nido Petroleum Limited (Nido) is pleased to provide this update on its operational activities, offshore Palawan Basin, the Philippines.

SC54 Drilling Operations

On 2 July 2008, Nido and its Joint Venture partner, Kairiki Energy Limited, commenced operations in Service Contract 54 with the start of the site survey program. This is being undertaken in anticipation of drilling two firm wells with the WilBoss jack-up rig later this year in the shallow water area of Service Contract 54. The survey will also cover the deeper water Gindara prospect which will be drilled in 2009. In total, eight areas will be surveyed for potential hazards and shallow gas with both analogue and digital grids to evaluate the sea bed and subsurface at possible drilling locations. An environmental base line study will also be conducted as part of Nido's health, safety and environment focus. The site survey vessel Baruna Jaya. The site survey vessel Baruna Jaya (pictured below) has been contracted through Fugro Survey Pte Ltd and the work is scheduled to take four weeks, depending on weather conditions.



The Baruna Jaya 1



Galoc Development Project

As reported last week, the local effects of Typhoon Fengshen at the Galoc site resulted in the temporary stoppage of commissioning activities and subsequent safe disconnection of the FPSO. With conditions improving markedly over the last week, the FPSO was mobilised back to the Galoc field on Tuesday, 1 July and is scheduled to commence re-connection procedures today. Once reconnection has been made, a full systems safety and integrity check will be undertaken prior to first oil production.

Nido will continue to provide the market with regular updates on its operational activities and will notify the market immediately of material events.

Yours sincerely



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