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Australian Securities Exchange Limited
Company Announcements Office
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SYDNEY NSW 2000

Yakal-1 oil discovery confirmed to 78 metres

Nido Petroleum Limited (Nido) and its Joint Venture partner Kairiki Energy Limited (Kairiki) are pleased to provide this progress report on the Yakal-1 well in Service Contract 54 (SC54), located in the NW Palawan Basin, offshore the Philippines. As of the date of the last report, Yakal-1 had drilled to total depth, intersected an oil accumulation and was logging the oil-bearing section with wireline logs to confirm the height of the oil column.

Since that report, a comprehensive wireline logging program has been completed across the Nido Formation supported by both pressure data and samples. Clear upper and lower limits to the base of the oil column have been established.

- Evaluation of these wireline logs, pressure data and samples confirm an oil column at the Yakal-1 well location;
- Oil column has been confirmed to a minimum of 78 metres high;
- Maximum oil column height possible is 93 metres; and
- A 7" liner is being installed to secure the Yakal-1 wellbore for possible future utilisation for extended well testing and production.

Nido's Deputy Managing Director, Ms Joanne Williams said "The Yakal-1 discovery is an important first step in realising the Joint Venture's strategy to rapidly commercialise the SC54 inboard area. As well as Yakal-1 and Tindalo-1, the next well on the schedule, there are in excess of 20 additional prospects in the SC54 inboard area covered by 3D seismic data. While each prospect is relatively modest in size, with future drilling success and the application of pragmatic, low cost development methodologies, there is the opportunity to aggregate several discoveries into a single production facility, to optimise value."

The work program in the coming months will review all the data gathered during the drilling program to evaluate the reservoir quality and oil-in-place resource estimates. Following the suspension of the Yakal-1 well for future re-entry, the WilBoss jack-up drilling rig will mobilise to the Tindalo-1 well location, approximately 5.5 kilometres to the north east of Yakal-1, for the second well in the SC54 drilling campaign.

Nido's Chief Executive Officer, Mr Jocot de Dios said, "This is the first oil discovery to be made in the Philippines in the last 14 years – a momentous milestone for both the country and the Company. Whilst there is still another exploration well to drill in this campaign, this early success supports Nido's strategic decision to focus its efforts and investments in the Northwest Palawan Basin and importantly, the decision to accelerate our shallow water strategy whilst we mature our deep water exploration portfolio."

Nido will continue to issue milestone progress reports to the market as appropriate during the campaign.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Joanne Williams', with a long horizontal flourish extending to the right.

Joanne Williams
Deputy Managing Director

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