Nido Petroleum Limited
ABN 65 086 630 373

2 April 2012

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

Galoc Operations Update

Nido Petroleum Limited (ASX:NDO) provides the following report from the Operator, Galoc Production Company WLL, in relation to the Galoc oil field.

Yours sincerely

Phil Byrne
Chief Executive Officer

SERVICE CONTRACT 14 C1 (GALOC OIL FIELD) WORKING INTERESTS TABLE

Participant	Participating Interests (%)
Galoc Production Company WLL (Operator) *	33.00
Galoc Production Company (2) Pte Ltd	26.84
Nido Production (Galoc) Pty Ltd/Nido Petroleum Philippines Pty Ltd	**22.88**
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.79
The Philodrill Corporation	7.21
Forum Energy Philippines Corporation	2.28

** Galoc Production Company is owned by Otto Energy Ltd (ASX: OEL) - 33% working interest.*

2 April 2012

Galoc Oil Field Recommences Production

The Galoc Production Company (GPC), operator of the Galoc oil field offshore Palawan in the Philippines, advises that production has restarted from the Galoc field on 2 April 2012 following a planned shutdown for refurbishment of the Floating Production Storage and Offloading vessel (FPSO).

During the shutdown, the FPSO Rubicon Intrepid has undergone planned re-certification, maintenance, inspection and turret installation work. The most significant work scope has been the installation of a bow mounted, non-disconnectable turret mooring system to replace the previous disconnectable system.

The upgrade of the FPSO mooring system is expected to increase the reliability and uptime of the FPSO and is a crucial component of infrastructure to enable the Galoc Joint Venture to move ahead with a potential Phase II development of the Galoc field.

Figure 1: FPSO Rubicon Intrepid with bow mounted non-disconnectable turret installed

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Galoc Production Company

<u>**Galoc Phase II Update**</u>

Front End Engineering and Design ("FEED")

The joint venture commenced the engineering design work in late 2011 and remains on schedule for the Final Investment Decision ("FID") around mid-2012.

The scope of FEED work, to be undertaken prior to FID, includes detailed subsurface modeling of the reservoir, drilling and completion design, subsea engineering and tie-back design for new wells as well as joint venture financing considerations.

The FEED work is being undertaken in Perth primarily, with support from Otto Energy's Manila-based Galoc Production Company personnel.

Acquisition of 3D Seismic

In addition to engineering and design works, acquisition of 184 km^2 of new 3D seismic data was completed in late 2011, covering the Galoc field and adjacent Galoc North exploration prospect.

The new 3D seismic will support the placement of Phase II wells in the reservoir and de-risk this major capital expenditure. In addition, it will also allow full evaluation of the Galoc North exploration prospect, which may realize further development opportunities for the Galoc field.

Targeting Project Sanction mid-2012

The final project approval, Final Investment Decision ("FID"), for the Galoc Phase II development is targeted for around mid-2012. The Galoc Joint Venture will consider pre-investment in required infrastructure, including wellheads, flowlines and umbilical lines during the FEED stage.

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Figure 2: FPSO Rubicon Intrepid with support vessels AHT's Vos Signal and Ocelot and support vessels China Venture and Sulu Venture

Figure 3: Construction vessel Southern Ocean in operation

Figure 4: FPSO Rubicon Intrepid in production on 2 April 2012

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Additional Notes

General Information

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km North West of Palawan in the Republic of the Philippines.

The original development involved the construction of two subsea horizontal production wells, with extended reservoir contacts, tied back to a Floating Production Storage and Offloading ("FPSO") facility via a short seabed pipeline and mid water riser system.

The participating interests in the Galoc Field are as follows:

Participant	Participating Interest %
Galoc Production Company W.L.L. (Operator) (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL))	33.00000
Galoc Production Company (2) Pte Ltd	26.84473
Nido Production (Galoc) Pty Ltd / Nido Petroleum Philippines Pty Ltd (ASX: NDO)	22.87952
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575

Further information on GPC and the Galoc Field can be obtained from:

- Otto's website www.ottoenergy.com
- via email, at enquiry@galoc.com
- or by contacting
    - Kay Palma
      Tel: +63 2 857 4372

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