



STOCK EXCHANGE ANNOUNCEMENT

11 December 2006

TIEKE-1 DRILLING UPDATE

Pan Pacific Petroleum N.L. ("PPP") reports that as at 0600 hours today, the Tieke-1 well had reached a total depth of 3,579 metres. Since the last report, the well was drilled from 3,225 metres to total depth after encountering only minor hydrocarbon shows. The joint venture is now assessing the results to determine whether there is merit in suspending the well for a potential sidetrack to a deeper Kapuni sand target.

Following completion of operations at Tieke-1, the offshore drilling rig will commence the development drilling activities on the adjacent Tui Area Development.

Participants in Tieke-1 and PMP 38158 are:

Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%
Stewart Petroleum Company Ltd (through New Zealand Oil & Gas Ltd)	12.5%
AWE New Zealand Pty Limited ("AWE")	20.0%
New Zealand Overseas Petroleum Pty Ltd ("AWE")	22.5%
Mitsui E & P New Zealand Limited	35.0%

A handwritten signature in black ink, appearing to read 'Kim Ware'.

K M Ware
Company Secretary

For further information :

Kim Ware (Company Secretary)
Telephone: (02) 9957-2177
www.panpacpetroleum.com.au

Notes:

1. References to *PPP*, and *the company*, are to be read as inclusive of the subsidiary companies within the consolidated PPP group.