



## **STOCK EXCHANGE ANNOUNCEMENT**

9 January 2007

### **Tui-2H Drilling Update**

Pan Pacific Petroleum N.L. ("PPP") reports that as at 0600 hours today, the Tui-2H well was drilling ahead in an inclined hole at a measured depth of 2,138 metres. During the past week, a subsea tree was installed on Tui-3H before the well was temporarily suspended as planned, and the rig repositioned over the Tui-2H well. The subsea tree was installed on Tui-2H and the well drilled to the current depth. Progress for the week is 636 metres.

The Tui-2H drilling programme involves the drilling of a pilot hole to guide the landing of the well in the reservoir. A horizontal production hole will then be drilled close to the top of the reservoir. After completion of Tui-2H, the Ocean Patriot rig will be relocated to drill and complete the Tui-3H well.

The Tui Area Development is located within PMP 38158, in the Taranaki basin, approximately 50 kilometres offshore of the west coast of the North Island of New Zealand. First oil is expected from the development by June 30, 2007, and when fully commissioned, a production rate peaking at 50,000 bopd is anticipated.

Participants in Tui-2H and PMP 38158 are:

<b>Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)</b>	<b>10.0%</b>
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 'K M Ware'.

K M Ware  
Company Secretary

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**Notes:**

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