



## **STOCK EXCHANGE ANNOUNCEMENT**

16 January 2007

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

Pan Pacific Petroleum N.L. ("PPP") reports that as at 0600 hours today, the Tui-2H well had been drilled to a measured depth of 3,427 metres. During the past week, progress on the current hole section has been 1,289 metres.

The Tui-2H drilling programme involves the drilling of a pilot hole to approximately 4200 metres measured depth through the F-Sand oil reservoir section, 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.

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.