



STOCK EXCHANGE ANNOUNCEMENT

13 February 2007

Tui-2H Drilling Update

Pan Pacific Petroleum N.L. ("PPP") reports that as at 0600 hours today, production tubing was being run into the Tui-2H production well as part of the well completion operations. During the course of the week the 1,850m of horizontal drainage hole was successfully completed with the running of a slotted liner.

At the completion of operations at Tui-2H, the rig will be relocated to recommence drilling the Tui-3H well in accordance with the Tui development schedule.

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 PMP 38158 are:

| | |
|---|--------------|
| Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd) | 10.0% |
| New Zealand Oil & Gas Ltd (through Stewart Petroleum Company 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

Notes:

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