



STOCK EXCHANGE ANNOUNCEMENT

20 March 2007

Tui-3H Drilling Update

Pan Pacific Petroleum N.L. ("PPP") reports that at 0600 hours today, the Tui-3H well was drilling ahead in a horizontal hole within the reservoir section at a measured depth of 5,180 metres. Progress for the week was 1,263 metres.

During the course of the week the Tui-3H well was drilled from 3,917 metres and has drilled approximately 1,063 metres of horizontal section in the oil 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 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.