



STOCK EXCHANGE ANNOUNCEMENT

27 March 2007

Tui-3H Drilling Update

Pan Pacific Petroleum N.L. ("PPP") reports that at 0600 hours today, the Tui-3H well was running production tubing as part of the completion operations. During the past week, the well was drilled to total measured depth of 5,384 metres, with the last 1,267 metres being near horizontal following close to the top of oil bearing reservoir. The last 1,173 metres was drilled within an oil column of 6-13 metres within the range of expectations.

Drilling progress for the week was 204 metres and a production liner was successfully set in the horizontal section. Following the completion operations, the Tui-3H well will be suspended and the rig will be moved to the Amokura-2H 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 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.