



STOCK EXCHANGE ANNOUNCEMENT

29 May 2007

Tui Development Drilling update

Pan Pacific Petroleum NL ("PPP") reports that at 0600 hours today, the Pateke-3H well was at a measured depth of 3,317 metres and undertaking fishing operations to retrieve drill pipe from the well hole. Progress for the week was 1,777 metres.

Elsewhere in the offshore Taranaki, the company holds 10% of newly-awarded exploration permit PEP38499, adjacent to the Maui gas/oil field. At least two of the permit's leads, Matuku and Toke, will be further delineated by a 400km marine 2D seismic survey planned for mid 2007.

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.