



STOCK EXCHANGE ANNOUNCEMENT

17 July 2007

Tui Development Drilling update

Pan Pacific Petroleum NL ("PPP") reports that at 0600 hours today, the Pateke-3H ST1 well was running 7" tubing as part of the completion operations. At the conclusion of these operations, the well will be suspended and available for oil production and the rig will be released for the exploration campaign.

The Pateke-3H well is the fourth and final well in the Tui Area development drilling programme. Due to the recent inclement weather in the offshore Taranaki basin, first oil production is now expected from the development in July, 2007. When fully commissioned, a production rate peaking at 50,000 barrels/day is anticipated from the project.

After completion of the development drilling programme, the *Ocean Patriot* rig will commence the exploration campaign, which will include the drilling of the Hector and Taranui prospects.

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.

Participants in PMP 38158 are:

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|---|--------------|
| 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

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