



## STOCK EXCHANGE ANNOUNCEMENT

7 August 2007

### Hector Drilling – Progress Report

Pan Pacific Petroleum NL (“PPP”) reports that at 0600 hours today, the Hector-1 well was drilling ahead at a measured depth of 3,110 metres. Since report time, the primary target of the well, the Kapuni “C” Sand, has been intersected without encountering any significant hydrocarbon shows. Progress for the week was 1,604 metres. The well will be drilled to its planned total depth of 3,870 metres to evaluate the remaining section above basement.

The Hector prospect is located in PEP 38483, approximately 65 kilometres south west of the Tui Area Development. Hector -1 is being drilled in a water depth of 170 metres and has the potential to contain in excess of 100 million barrels of recoverable oil. The well has a planned total depth of 3,870 metres.

After Hector-1, the Taranui-1 prospect within the Tui Area production licence will be drilled.

Participants in PEP 38483 are:

<b>Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)</b>	<b>14.091%</b>
New Zealand Oil & Gas Ltd (through Stewart Petroleum Company Ltd )	18.864%
AWE New Zealand Pty Limited (“AWE”)	44.317%
Mitsui E & P New Zealand Limited	22.728%

A handwritten signature in black ink, appearing to read 'Kim M Ware'.

Kim M Ware  
Company Secretary

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