



STOCK EXCHANGE ANNOUNCEMENT

10 August 2007

Taranaki Drilling Update

Pan Pacific Petroleum NL advises that the Hector-1 well was drilled to final depth without encountering anything other than minor hydrocarbon shows. Information over the perceived reservoir intervals is being obtained for future reference via wireline logs, after which the well will be plugged and abandoned as a dry hole.

The Ocean Bounty semi-submersible drilling unit will then re-locate to the Taranui prospect within the area of the Tui PML38158, drilling of which is likely to commence around 16 August.

Participants in PEP 38483 are:

Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	14.091%
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 'K M Ware'.

K M Ware
Company Secretary

For personal use only