



STOCK EXCHANGE ANNOUNCEMENT

16 August 2007

First Shipment of Tui Oil

Pan Pacific Petroleum announces that the first shipment of approximately 300,000 barrels (PPP share 10%) of Tui crude oil has been loaded for shipment to Caltex refineries in Sydney and Brisbane. The second shipment of Tui crude is scheduled for loading on 19 August 2007.

First oil from the Tui oil fields was produced on 31 July 2007. A stable crude oil flow rate of up to 42,000 barrels/day has been achieved through the FPSO. As expected during project commissioning, production has been slightly constrained by the FPSO topsides facility, which is designed to handle a maximum 50,000 barrels/day.

However, system uptime is improving quickly as experience in operating the new facility is gained. Some minor process de-bottlenecking is being implemented which is expected to allow the full design production rate to be achieved within the next few weeks.

Preliminary testing of samples taken from the production wells suggest the oil properties and quality are in line with pre-production expectations.

The Tui oil fields are 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 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

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