



STOCK EXCHANGE ANNOUNCEMENT

28 August 2007

TARANUI-1 DRILLING UPDATE

Pan Pacific Petroleum reports that at 0600 hours today, the Taranui-1 well was drilling ahead at a measured depth of 2,520 metres. Progress for the week was 2,293 metres.

The Taranui prospect is located in PMP 38158, approximately 15 kilometres north east of the Tui Area Oil Project. Taranui -1 is being drilled in a water depth of 121 metres and has the potential to contain of the order of 15 million barrels of recoverable oil. The well has a planned total depth of approximately 3,900 metres.

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 Australia Pty Limited	35.0%

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

K M Ware
Company Secretary

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