



## STOCK EXCHANGE ANNOUNCEMENT

4 September 2007

### TARANUI-1 DRILLING UPDATE

Pan Pacific Petroleum reports that at 0600 hours today, the Taranui-1 well was preparing to run wireline logs at a measured depth of 3,915 metres. Progress for the week was 1,395 metres.

The objective Kapuni Formation D and F Sands have been intersected, and encountered minor oil shows at both levels. Wireline evaluation of these zones is still in progress, but logs recorded while drilling do not indicate any potentially productive intervals. When operations at Taranui-1 are completed, the well will be plugged and abandoned.

Participants in PMP 38158 are:

<b>Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)</b>	<b>10.0%</b>
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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