



STOCK EXCHANGE ANNOUNCEMENT

26 October 2007

Update on Taranaki Basin incident

Pan Pacific Petroleum NL (PPP) has been advised that the oil recovered from the Taranaki coast appears to be similar to oil produced from the Tui oil field. As a participant in the Tui Area Oil Project, PPP is working closely with the Joint Venture operator of the field, AWE Ltd, to complete the investigations.

AWE has also identified an incident which occurred on the Floating Production Storage and Offloading vessel 'Umuroa' on October 21, 2007, which could be related to the oil found on the coast. This incident, reported to Maritime New Zealand on that day involved the discharge of potentially contaminated produced water from the Tui field.

Investigations into whether the oil on the beach can be directly linked to the 'Umuroa' discharge are incomplete.

AWE is working closely with New Zealand authorities, including Maritime New Zealand and the Taranaki Regional Council, to identify the nature and source of the oil. AWE, has supplied a sample of Tui project crude to Maritime NZ for analysis and comparison with the degraded oil washed up on the coast.

PPP has been advised that Taranaki Regional Council has collected approximately six cubic metres of contaminated sand, believed to be the majority of the affected area.

The Tui area oil project lies approximately 60 km from the Taranaki coastline.

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 New Zealand Limited	35.0%

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

Kim Ware
Company Secretary

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