



## **STOCK EXCHANGE ANNOUNCEMENT**

13 November 2006

### **PPP STARTS TARANAKI DRILLING PROGRAMME**

Pan Pacific Petroleum NL's ("PPP") largest ever oil exploration drilling programme is about to start with the drilling rig *Ocean Patriot* now on its way to the Taranaki Basin. The *Ocean Patriot* is currently under tow from the Canterbury Basin and will come up the east coast of the South Island and through the Cook Strait to Taranaki which will take approximately 5 days.

The first well, Tieke-1, which has a potential recoverable volume of 15 million barrels of oil, is expected to start drilling late next week once the *Ocean Patriot* is relocated from the Canterbury basin. PPP has a 10.0% interest in the Tieke-1 well and the Tui area oil development.

Tieke-1 is located in PMP 38158, 40 km off the west coast of New Zealand's North Island and approximately 8 km from the Tui oil field (see figure 1). The well will be drilled to a planned total depth of 3,600 metres, in a water depth of 122 metres and is expected to take 18 days on a 'trouble free' basis.

Recent exploration in the Taranaki basin by PPP and its joint venture partners has resulted in three commercial discoveries from only five exploration wells in the past four years. These discoveries, Tui, Amokura and Pateke, are currently being developed as part of the Tui area oil development within PMP 38158. The development drilling for this project, comprising 4 horizontal development wells, will start immediately after the completion of the Tieke-1 well.

The *Ocean Patriot* will also drill the high potential Hector structure in PEP38483 and then the Taranui prospect also within PMP38158 to finish the six month drilling campaign.

#### **PPP's drilling programme**

<b>Well Name</b>	<b>PPP share</b>	<b>Potential Reserves</b>	<b>Timing</b>
Tieke-1	10%	15 m bbls	Q4,2006
Tui development 1-4	10%		Q4, 2006 to Q2, 2007
Hector-1	14.1%	>50-60 m bbls	Q2,2007
Taranui-1	10.0%	5-15 m bbls	Q1/Q2, 2007

Participants in Tieke-1 and PMP 38158 are:

Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%
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%



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Company Secretary

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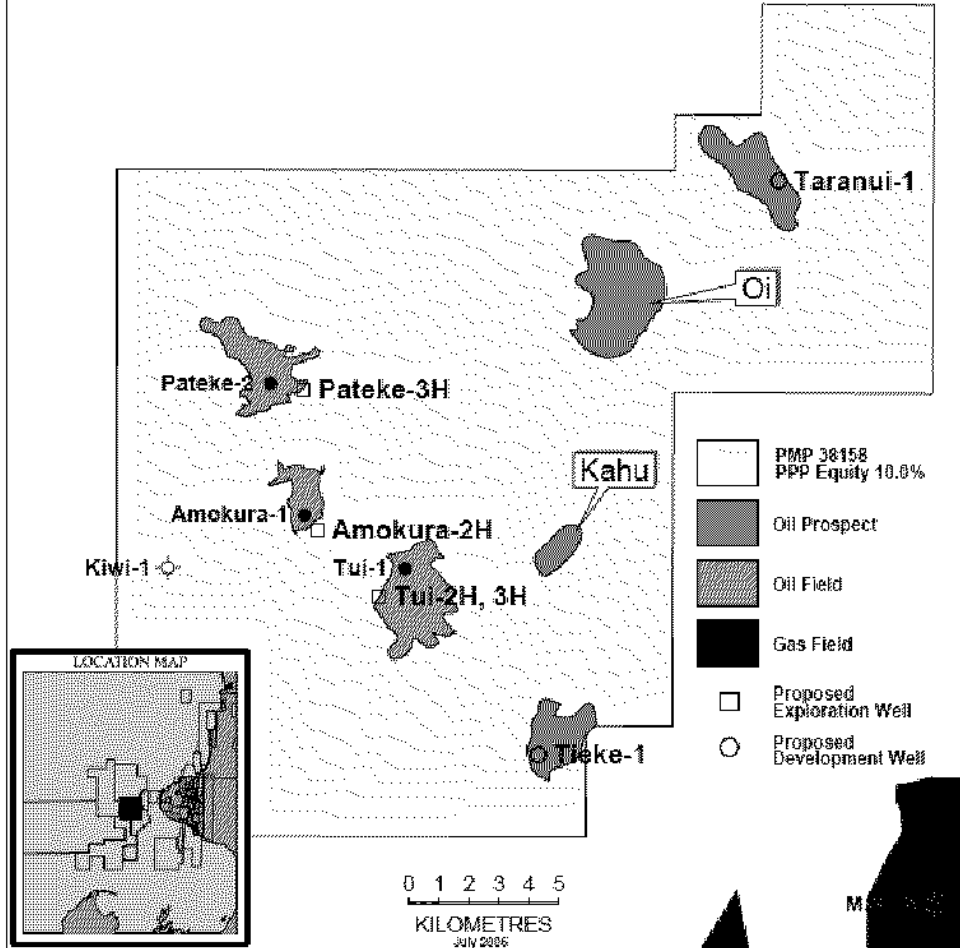
**Notes:**

1. References to *PPP*, and *the company*, are to be read as inclusive of the subsidiary companies within the consolidated PPP group.
  2. Where appropriate activities and events occurring after 30 September 2006 have been recorded in this report.
  3. Except where otherwise stated, dollar amounts are in AUD currency
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Takapou-1

# Tui Area Oil Development PMP 38158





# Hector and Hector South Prospects

Hochstetter-1

