



STOCK EXCHANGE ANNOUNCEMENT

5 December 2006

TIEKE-1 DRILLING UPDATE

Pan Pacific Petroleum N.L. ("PPP") reports that at 0600 hours today, the Tieke-1 well was drilling ahead towards the main target zone. During the week, 13-3/8" casing was cemented and 12-1/4" hole was drilled from 1,495 metres to a present depth of 3,225 metres. Progress for the week was 1,730 metres.

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. The well will be drilled to a planned total depth of 3,600 metres, in a water depth of 122 metres.

Following completion of operations at Tieke-1, the offshore drilling rig will commence the development drilling activities on the adjacent Tui Area Development.

Participants in Tieke-1 and PMP 38158 are:

Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%
Stewart Petroleum Company Ltd (through New Zealand Oil & Gas 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'.

K M Ware
Company Secretary

For further information :

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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.