



STOCK EXCHANGE ANNOUNCEMENT

22 November 2007

Tui Area Oil Project - Reserves increase by 30%

Pan Pacific Petroleum has been advised by AWE, the operator of the Tui Area Oil Project, that it has undertaken a reserve review which has resulted in an increased estimate of oil reserves at Tui by 30% to 41.7 million barrels.

This compares with reserves of 27.9 million barrels on which the Tui Area Oil Project was originally developed and an interim updated estimate by AWE of 32 million barrels, following the completion of the development drilling campaign.

AWE has advised that the increase in proved and probable (2P) reserves is based on interpretation of re-processed 3D seismic, a more detailed assessment of the Kapuni reservoir and the integration of the production data from the fields since production began on July 30, 2007.

The Operator has also informed the Tui Area Oil Project participants that the increased reserves assume production from the existing four wells, plus the completion of an additional development well in the Tui oil field, Tui-4H. The Operator has begun preliminary planning for the drilling of this additional well.

Oil Production Rates

Since the start of production on July 30, 2007, the Tui Area Oil Project has produced approximately 4.4 million barrels of oil.

Recent production rates of up to 50,000 barrels a day have been achieved, with the current well capacity still substantially higher than the processing capacity of the FPSO *Umuroa*. AWE has further advised that based on the current reservoir and facility performance and this upgrade in 2P oil reserves, the Tui gross oil production target for the year to 30 June 2008 has been revised from 10 million barrels to approximately 11 million barrels (= approx. 1.1m barrels to PPP).

Water is being produced from the field, but at substantially lower rates than expected from earlier field simulations.

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%



K M Ware
Company Secretary

Notes:

References to *PPP*, and *the company*, are to be read as inclusive of the subsidiary companies within the consolidated PPP group.