



STOCK EXCHANGE ANNOUNCEMENT

4 December 2007

Tui Oil Production reaches 5 million barrels

Pan Pacific Petroleum NL's 10 per cent owned Tui Area Oil Project off New Zealand's Taranaki coast, has produced its 5 millionth barrel of oil, approximately four months after production started on July 30, 2007.

The Tui Area Oil Project is located in PMP 38158, in the offshore Taranaki Basin, New Zealand. Gross production in the last 10 days averaged approximately 47,000 barrels oil/day. Recent modifications to the floating production vessel Umuroa, have allowed daily production rates to increase to around 50,000 barrels/day.

Since start-up of production, a total of 15 shipments of crude oil have been lifted, totalling 4,500,000 barrels - the 16th oil lifting is scheduled for Wednesday of this week.

The strong field performance since the commencement of production has caused an upward revision of the Tui project's oil production target for the year to June 30 2008, from 10 million barrels to approximately 11 million barrels.

In addition to exceeding earlier production performance expectations, the strong reservoir performance of the fields within the Tui project has also allowed the joint venture partners to dramatically increase the project's reserves base.

Last month proved and probable (2P) reserves in the Tui Area Oil Project were upgraded to 41.7 million barrels, almost 50% higher than the estimated reserves of 27.9 million barrels on which the project was developed.

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

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.

The higher reserves estimate assumes production from the existing four wells, plus one extra development well in the Tui oil field, Tui-4H, for which the early planning has already begun with drilling currently scheduled for mid 2009.

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.