

PPP to Sell Tui Interests to Tamarind

- **PPP will make a net payment of US\$5.45 million in cash and inventory to sell its 15% interests in Tui to Tamarind.**
- **PPP no longer liable for decommissioning currently provisioned at US\$15.5 million.**
- **PPP in a strong financial position, with estimated cash of circa US\$12 million (unaudited) and liquid investments of US\$3 million (unaudited) post sale.**
- **Transaction allows the Company to dedicate this capital to oil and gas growth opportunities rather than restoration activities.**

Pan Pacific Petroleum NL (ASX:PPP / Company) is pleased to advise that it has executed agreements to sell all the shares of PPP's subsidiary, WM Petroleum Limited (WMP), the company that owns 15 percent interest in the Tui area oil fields off Taranaki, New Zealand, to Tamarind Classic Resources Limited (Tamarind) of Kuala Lumpur, Malaysia.

Tamarind will pay US\$400,000 for all of PPP's shares in WMP and on completion of the transaction PPP will make a net payment to Tamarind of US\$5.45 million in the form of cash and inventory. The effective date of the transaction is 1st January 2017.

PPP currently carries the Tui area oil fields at nil value in its balance sheet and has a restoration provision of US\$15.5 million. Upon completion of the transaction, PPP's restoration provision will be reversed and Tamarind will inherit all the benefits and liabilities associated with the Tui area oil fields, including environmental, decommissioning, and abandonment obligations.

PPP's Executive Director, Grant Worner, said:

"PPP believes Tui is nearing the end of its economic life and along with our joint venture partners the Company had begun preparations to shut down operations within the next few years.

We are pleased Tamarind are willing to introduce new ideas and ways of working to possibly prolong field life which would extend the assets' involvement with the Taranaki region and increase the economic returns to the broader New Zealand community.

PPP is in a strong financial position, with estimated cash of US\$12 million (unaudited) and liquid investments of ~US\$3 million post sale. This transaction makes it possible for the Company to dedicate its capital to growth opportunities rather than to restoration activities.

In addition to progressing its retained assets, PPP is actively reviewing new oil and gas opportunities. PPP considers our combination of corporate and technical expertise, low overheads costs, significant financial backing, and cash reserves with no debts places us in an ideal position to grow its oil and gas portfolio of assets through investments and acquisition, particularly at a time when asset values are giving rise to a large number of attractively priced opportunities.



PPP is currently in consultation with ASX seeking confirmation as to whether ASX will require PPP to obtain shareholder approval for this transaction. If ASX determines that shareholder approval is required under the Listing Rules, PPP will advise shareholders and convene a shareholders meeting in due course.

For Further Information please contact:

Grant Worner
Executive Director
Pan Pacific Petroleum NL
+61 2 9957 2177 Office
grantw@panpacpetroleum.com.au