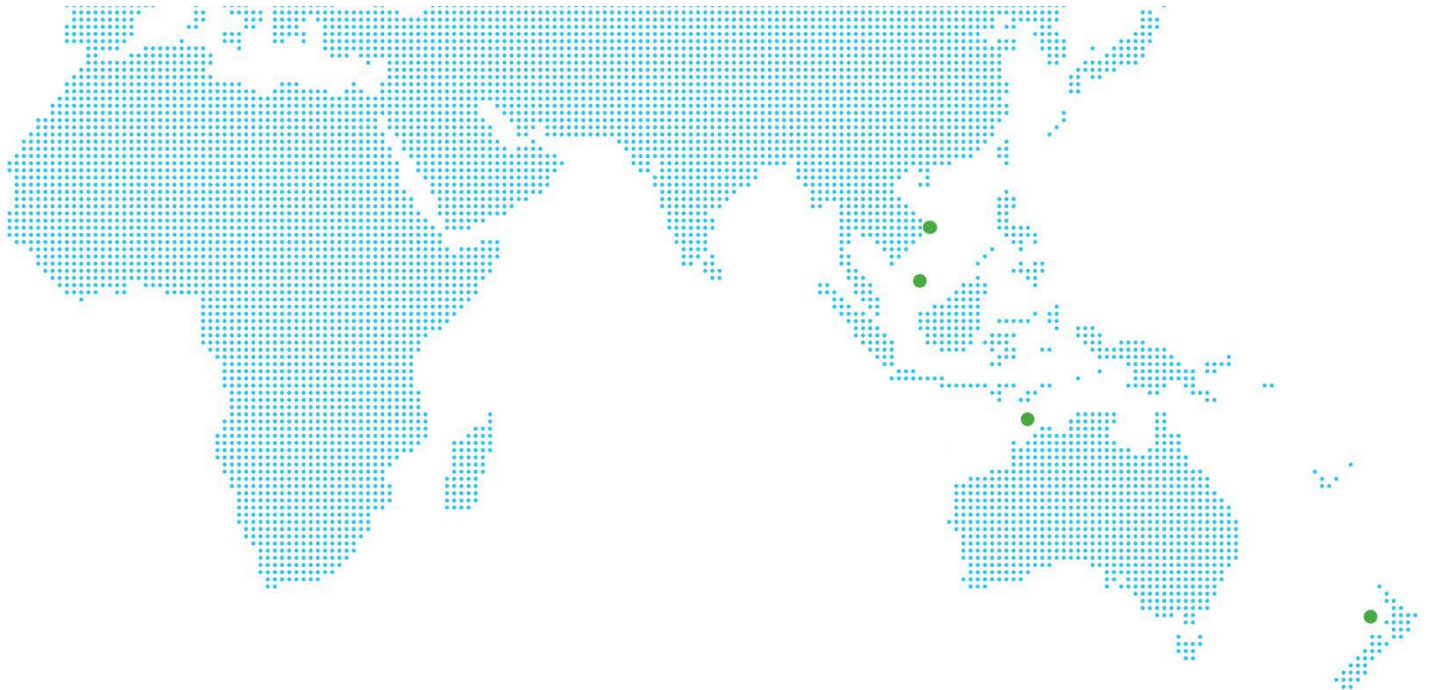


QUARTERLY ACTIVITIES REPORT

March 2016



Pan Pacific Petroleum

Highlights

- The average net production for Pan Pacific Petroleum NL (PPP / Company) from the Tui area fields in New Zealand was 495 barrels per day.
- There were no crude oil sales during the period.
- As at 31 March PPP's cash position was circa A\$24.2 million and net inventory was 64,170 barrels.
- The Joint Venture parties continued discussions with the authorities to reach an amicable settlement on the disputed financial liabilities for exiting the Timor Leste JPDA licence.

New Zealand

Tui Area Oil Project (PMP 38158) Taranaki Basin (PPP interest 15%)

Production from the Tui area fields for the March quarter was 300,346 barrels (PPP share 45,052 barrels) with the Pateke 4-H well continuing to perform above original expectations. A four day planned maintenance shutdown was completed on time and on budget in mid-March, partially contributing to lower production for the quarter. On completion of the shutdown trials began to flow Pateke-3H and Pateke-4H in parallel.

The next Tui sale is expected in late April 2016.

Vietnam

Block 07/03 (PPP interest 5%)

The Operator, Repsol (Talisman), continued to work towards finalisation of the FDP for the CRD oil and gas discovery which is expected to be completed during Q4 2016. Contract negotiations continued for the Floating Production Storage Offloading (FPSO) vessel and the Tension Leg Wellhead Platform (TLWP) facilities. Negotiations for a long term gas sales agreement with PetroVietnam continue.

Timor-Leste and Australia:

Joint Petroleum Development Area (JPDA) 06-103 (PPP interest 15%)

As previously reported on 12 July 2013 Oilex, the Operator of JPDA06-103, submitted a request to the designated authority, the Autoridade Nacional do Petróleo ("ANP"), to terminate the Production Sharing Contract (PSC) by mutual agreement in accordance with its terms and without penalty or claim.

The JV has disputed the financial claim of US\$17 million (net US\$2.6m to PPP) sought by the ANP and the parties are attempting to reach an amicable settlement.

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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. Except where otherwise stated, dollar amounts are in AUD currency.
3. Production includes production from Pateke-4H and excludes crude burned as fuel oil.