

29 January 2013

Stock Exchange Announcement

PPP to drill new wells in New Zealand in 2013

The PMP 38158 (Tui) Joint Venture has approved the drilling of two additional wells;

- **Pateke 4H infill development well; and**
- **Oi exploration well.**

AWE, on behalf of the Joint Venture, has entered into an agreement to secure the recently overhauled and upgraded Kan Tan IV semi-submersible rig for the drilling of these wells planned for the second half of 2013.

Pateke-4H is an infill development well which will target a newly mapped northern extension of the field (Pateke North) that is not being accessed by the current producing well, Pateke-3H. Pateke-4H is estimated by PPP to have the potential to recover an additional 2-4 million barrels of oil production from the Pateke Field. Drilling and completion of Pateke-4H is planned for late 2013-early 2014 subject to rig timing, with subsea tie-in to the Tui Field FPSO and first oil expected around end 2014-early 2015. The well is planned to be drilled to a total measured depth of approximately 6,900m and will include a 2,500m horizontal section

The **Oi prospect** is a 4-way dip closure created by drape over an underlying basement high, similar to the structures at the Tui, Amokura and Pateke Fields, and the exploration well will target the same producing reservoir level (F10 sandstones).

PPP considers Oi a very attractive opportunity and has consequently increased its equity participation in the Oi well to 50% pursuant to the sole risk provisions of the Tui Joint Operating Agreement. AWE and Mitsui have elected to participate in the Oi exploration well at reduced equities of 25% and 12.5% respectively. NZOG will participate at its existing equity level of 12.5%. AWE will remain the Operator. If the Oi well proves successful, both Mitsui and AWE have the option to restore their full PMP 38158 equities in any development through buy back of equity from PPP which will comprise reimbursement of pro-rata costs together with the payment of a buy back premium to PPP.

If full, the Oi structure is estimated by PPP to contain a mean recoverable resource of 15 million barrels of oil. Oi is located some 13km to the northeast of the Tui Field FPSO, and in the event of a commercial discovery existing excess FPSO capacity will enable an immediate tie-in and production of the field at relatively low incremental operating costs. The well will be located in approximately 120m of water with the target reservoir at 3,200m subsea.

Both of these projects are capable of taking advantage of the existing Tui facilities and if successful would enhance and extend the life of the Tui Area Oil Fields. PPP is very excited at participation in the forthcoming wells and looks forward to the possibility of writing a new chapter in the Tui story.

The Joint Venture partners in PMP 38158 are:

AWE Limited (via subsidiaries) (Operator)	42.5%
Mitsui E&P Australia Pty Ltd	35.0%
New Zealand Oil & Gas (via subsidiaries)	12.5%
Pan Pacific Petroleum (via subsidiaries)	10.0%

The Pateke-4H (Pateke North) and Oi prospect locations are shown in the figure below.

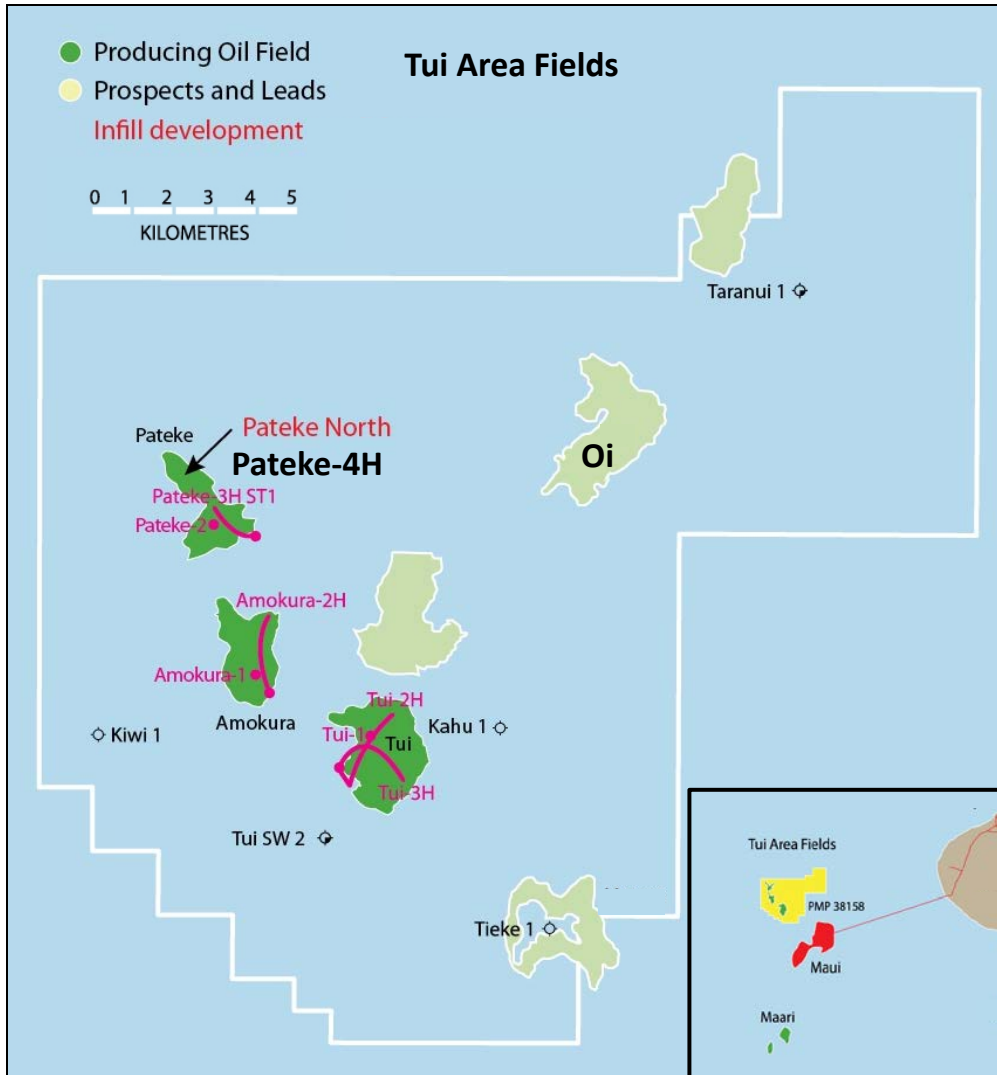


Figure 1 Tui Area Fields Location Maps

The reserves and resource information contained in this announcement are based on information compiled by Tom Prudence (Chief Executive Officer). Mr Prudence has a BSc (Hons) in Geological Geophysics and an MSc in Petroleum Geology. He is also a Fellow of the Geological Society of London. Mr Prudence has consented in writing to the inclusion of this information in the format and context in which it appears.

For further information please contact:

Tom Prudence
Chief Executive Officer
Pan Pacific Petroleum NL
Telephone: + 61 2 9957 2177
www.panpacpetroleum.com.au