



15th April 2014

Pateke-4H Appraisal Drilling Update

Pan Pacific Petroleum has been advised by AWE, the Operator of PMP38158, that as of 06:00hrs the Pateke-4H appraisal/development well being drilled by the semi-submersible drilling rig the "Kan Tan IV" was preparing to undertake a second side-track. It has not been possible to drill past an obstruction in the lower part of the first side-track, and a second side-track will now be drilled from a measured depth of 3587m BRT (below rotary table) with an 8 ½ inch drilling assembly.

The plan is to drill ahead and intersect the F10 reservoir sand and to then drill horizontally through the F10 reservoir to a planned total measured depth of 5,361m BRT.

The Kapuni F10 sandstone objective has already been intersected on prognosis with oil shows and indications of the likely presence of an oil bearing reservoir which is very encouraging. However, the commercial significance of the oil shows will not be clear until the horizontal drilling has been completed and the accumulation volume and reservoir quality have been fully assessed.

As a result of the operational difficulties encountered and the requirement for side-tracks to the well, the drilling costs for Pateke-4H will exceed the original estimates.

Pateke-4H is targeting contingent resources contained in Pateke North a potential extension of the Pateke Field which is not being accessed by Pateke-3H, the current producing well on the Pateke structure. If successful the well will be completed for subsequent tie-back to the Tui FPSO for production with first oil expected before the end of Q1 2015.

The Joint Venture partners in PMP 38158 are:

Pan Pacific Petroleum NL (via subsidiaries)	15.0%
AWE Limited (via subsidiaries) (Operator)	57.5%
New Zealand Oil & Gas (via subsidiaries)	27.5%

The information contained in this announcement is current as at the date indicated in this release. This report is 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 and a member of the Society of Petroleum Engineers (SPE). 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:

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