

13th May 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, drilled by the semi-submersible drilling rig the "Kan Tan IV", was running the production tubing and associated equipment. The well will then be suspended for later production. The installation of a sub-sea flow-line and ancillary control equipment to the Tui Field gathering system, to enable the Pateke-4H well to be flowed to the Tui Field FPSO "Umuroa", is scheduled for Q1 2015.

Following the suspension of Pateke-4H the rig will be relocated 12 kilometers to the Oi-1 Exploration Well location. On current planning Oi-1 is still expected to spud the last week of May.

Oi-1 is a very significant well for PPP in which the Company has increased its participating interest to 50% pursuant to the Sole Risk provisions of the Tui Joint Venture Operating Agreement. The Oi prospect is a 4-way dip closure similar to the structures at the Tui, Amokura and Pateke Fields, and Oi-1 will target the same producing reservoir level (F10 sandstones), estimated by PPP to contain gross mean recoverable prospective resources of 15 million barrels of oil with a Best Estimate (P50) of 13.5 million barrels. In the event of a commercial discovery the field will be produced by connecting to and using spare capacity at the Tui FPSO at relatively low estimated incremental operating costs.

The other parties in the Tui Joint Venture, New Zealand Oil & Gas and AWE have an option to restore their equities in the Oi prospect to those held in the overall Tui Joint Venture with PPP reducing to 15%, subject to reimbursement by those companies of pro-rata costs and the payment of a buy back premium to PPP.

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). The Prospective Resource estimate for the Oi exploration prospect was estimated using a probabilistic methodology. 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:

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