PAN PACIFIC PETROLEUM NL

PRESS ANNOUNCEMENT

30 October 2003

PEP38460 PERMIT – FARMOUT CONCLUDED WITH MITSUI & CO.

Pan Pacific Petroleum NL (PPP) advises that the previously announced farmout of a 5.0% interest in PEP38460 has now been concluded by execution of a formal sale and purchase agreement with Mitsui & Co Ltd (Mitsui) leaving PPP with a 10% interest. Regulatory approval of the transaction is now being obtained.

PPP’s Chief Executive Tony Radford commented “We are pleased that Mitsui have recognised the prospectivity of the West Maui permit and the significance of the Tui oil discovery made in February 2003”.

Mitsui is a significant company, with a market capitalisation of approximately US$10 billion and worldwide oil and gas interests.

Mitsui will fund up to A$3 million (US$2.1 million) of PPP’s expenditure in PEP38460 over the next year for its share of:

1. Two firm exploration wells (Amokura and Pukeko)
2. A third exploration well, dependent on results from the Amokura and Pukeko
3. If a development proceeds, initial development costs of US$9.5m (A$14m approximately).

The PEP38460 joint venture has signed a letter of intent with Diamond Offshore Drilling Co. for the use of one of their semi-submersible drilling units for drilling expected to commence in March 2004. The likely drilling unit is the Ocean Bounty, which drilled the Tui discovery well.

For further information:

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