

PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange - Symbol "POE" – 40,134,842 common shares issued)

Press Release

THAILAND UPDATE

July 3, 2007

Calgary, Alberta

EXPLORATION PERMIT L44/43

NA SANUN-1RD APPRAISAL WELL

Na Sanun-1RD ("NS-1RD") has been drilled to a total depth of 990 meters, penetrating the top 30 meters of the first of five potential volcanic reservoirs. Flow testing of this volcanic zone has so far resulted in oil production of approximately 20 barrels of oil per day with a water cut of 76%. The well has been cleaning up over the last three days with pressure, measured at surface, increasing. The well will continue to be pumped and monitored for further decline in water cut and improvement in oil flow. If oil production can not be improved from the current zone, NS-1RD will be deepened to evaluate the four additional volcanic zones, two of which resulted in lost circulation (good inferred reservoir development) while being drilled in the original NS-1 well, 16 meters away.

NA SANUN EAST APPRAISAL DRILLING

The Na Sanun East (POE-9) multi-well appraisal drilling program is anticipated to commence later this month. An approximately 110 square kilometer 3D seismic survey covering the northern half of Na Sanun East oil field and all of the Bo Rang structure has been ongoing for the past month with completion expected in mid July.

EXPLORATION PERMIT L33/43

L33-D EXPLORATION WELL

The L33-D exploration well is currently drilling ahead towards a projected total depth of approximately 1,200 meters. L33-D is the first well to be drilled by the joint venture in the northern exploration permit L33/43. The well is located approximately 1 km northwest of Wichian Buri village and approximately 6 km northwest and distinctly separate from the Wichian Buri Oil Field. The L33-D structure is an approximately 4 square kilometer structural closure with all sandstones present below a depth of 500 meters considered prospective oil targets and strong amplitudes on seismic, at approximately 1,100 meters, are interpreted to indicate the presence of volcanic intervals equivalent to those encountered in the Na Sanun area.

Three additional prospects have been identified in concession L33/43 and will be drilled during 2007.

Pan Orient is a Calgary, Alberta based oil and gas exploration and production company with operations currently located onshore Thailand and in Western Canada.

This news release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this news release includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of reserves and potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this news release require Pan Orient and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this news release is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of Pan Orient. Although Pan Orient believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

Pan Orient Energy Corp.

Jeff Chisholm, President and CEO

- or -

Jason Bednar, Vice President Finance and CFO

Telephone: (403) 294-1770