

PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange - Symbol "POE" – 41,634,842 common shares issued)

Press Release

Second Quarter 2007 Highlights and Outlook

September 4, 2007

Pan Orient Energy Corp. is pleased to provide an update of Company operations in Thailand and Canada in conjunction with the Company's 2007 2nd quarter financial statements and associated management's discussion and analysis which can be found online at www.sedar.com.

HIGHLIGHTS

- Second quarter of 2007 oil revenues increased to \$2.8 million, up 79% from Q1. Oil revenues have increased tenfold from 2006 levels.
- Q2 2007 Thailand oil production averaged 835 bbl/d gross (501 bbl/d net to Pan Orient), as a result of a successful well at Na Sanun, put on production in June, 2007.
- In April 2007 the Company commenced an aggressive drilling program, largely focused on exploration and appraisal of the fractured volcanic reservoirs discovered on the L44/43 concession. In August, 2007 a second drilling rig, also under long term contract to Pan Orient, began operations, thus accelerating the program.
- Q2 saw the commencement of a 120 square kilometer 3D seismic survey, extending 3D seismic coverage over the entire Na Sanun East oil discovery and the adjacent, large, Bo Rang prospect contained on the L44/43 concession. This survey was completed in August, 2007.
- During Q2, the Company finalized plans for a 260 square kilometer 3D seismic survey on its new 100% owned L53/48 concession onshore Thailand. Survey acquisition will begin in September 2007 with exploratory drilling anticipated in Q2 2008.
- The Company's 67% owned heavy oil subsidiary, Andora Energy Corporation, entered into an agreement to combine with Signet Energy Inc., which also owns a working interest in Andora's Sawn Lake heavy oil pool in Northern Alberta. Shareholder meetings are scheduled for September 11th to approve the combination.
- After closing the \$6 million July 13, 2007 financing, the Company had approximately \$13 million in working capital, with zero debt, providing a strong financial platform to facilitate planned seismic and drilling programs.

2007 PROGRAMS

THAILAND

In 2006 Pan Orient initiated one of the most aggressive 3D seismic acquisition and drilling programs conducted in recent times onshore Thailand. The focus of these programs was to fully evaluate the hydrocarbon potential of the entire sedimentary column. This knowledge base is a critical foundation block required to formulate future plans to maximize reserve and production potential of the exploration and development lands owned (60%) and operated by Pan Orient.

The eighth and final well of the 2006 program, POE-9, was an oil discovery drilled into a fractured volcanic reservoir and was put on production in January 2007 at a rate of approximately 380 bbl/d. After a brief pause in the drilling program, operations recommenced in April 2007 on an announced 37 well program, largely targeting the fractured volcanics of the Na Sanun and Na Sanun East oil discoveries, as well as other exploration targets. During the second quarter of 2007, the Company drilled and tested the NS-4 well at rates of approximately 686 bbl/d.

CANADA

In February, 2007, the Company's 67% owned heavy oil subsidiary, Andora Energy Corporation, announced its Sawn Lake, Alberta, heavy oil leases contained 179 million barrels of oil (net of royalties) as evaluated by an independent third party engineering firm. On May 23, 2007, Andora announced it had entered into an agreement to combine with Signet Energy Inc., which owns a 40% working interest in certain sections of the northern blocks of the Sawn Lake heavy oil pool. Signet security holders are scheduled to vote on the proposed transaction on September 11, 2007.

OUTLOOK

Pan Orient is continuing with its aggressive onshore Thailand drilling program, currently focused on appraisal of the Na Sanun East ("NSE") discovery. In August, NS3-D1 successfully appraised the southern most of three major fault compartments mapped on 2D and 3D seismic in the NSE structure. Two wells, L44-H and L44G-D1 are currently drilling ahead on the central and north fault compartments within a seismically mapped NSE structural closure of approximately 15 square kilometers. A third well, L44-G, located in the northern fault compartment is suspended awaiting testing after encountering the main volcanic target, 136 meters in thickness and highly fractured, based on an image log interpretation and lost circulation while drilling through the target zone. At least four more development wells are planned in the southern fault compartment of NSE and further appraisal drilling of the central and northern fault compartment will be driven by the test results of the above three wells. Exploration efforts, to date, have targeted the first of five potential volcanic reservoir zones in order to quickly increase production. Late 2007 drilling will target these deeper horizons.

Directly adjacent to the NSE oil structure is the approximately 14 square kilometer Bo Rang structure. 3D seismic data coverage has now been obtained over the entire area and drilling is anticipated at Bo Rang in late 2007. At least four other separate volcanic prospects have drilling locations either being built or completed, with the wells being added into the drilling schedule as the program progresses through 2007 into 2008.

Upon thorough evaluation of the volcanic reservoir potential of concessions L44 and L33, attention will shift back to numerous shallow sandstone reservoir targets that have been mapped on the large 3D

seismic survey acquired in 2006. Mid 2008 will see exploration drilling on the large 100% owned L53 concession targeting both volcanic and sandstone reservoir targets. A large 260 square kilometer 3D seismic survey is currently underway within L53, with first shots anticipated within the next week.

An ongoing new ventures program has been very active over the past six months with Pan Orient bidding, on a 100% basis, on a large offshore Gulf of Thailand concession that still awaits government notification of the winning bidder. Two other opportunities are actively being pursued, both being ground floor, with no promote, and located onshore Asia.

The remainder of 2007, and into 2008, promises to be an active and exciting time for the Company, with significant near term production and reserve upside potential being pursued at Na Sanun East and further L33 and L44 exploratory drilling.

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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