

## **PAN ORIENT ENERGY CORP.**

(Listed on the TSX Venture Exchange - Symbol "POE" – 40,056,842 common shares issued)

Press Release

### **PAN ORIENT ENERGY SUBSIDIARY PURCHASES GROSS OVERRIDING ROYALTY IN SAWN LAKE LANDS**

**February 5, 2007**

**Calgary, Alberta** – Pan Orient Energy Corp. ("Pan Orient") is pleased to announce that its 67% owned subsidiary, Andora Energy Corporation ("Andora"), has purchased a gross overriding royalty ("GORR") of 3% on 36.5 sections of Sawn Lake oil sands leases from a private company.

Pan Orient, through Andora, currently holds an unencumbered 10% working interest in 69.5 sections, including the abovementioned 36.5 sections, of Sawn Lake oil sand leases plus an additional unencumbered 100% working interest in petroleum licenses and related assets covering 16 sections of land located immediately south of, and adjacent to the northern 69.5 sections.

The 3% GORR purchased by Andora encumbers the original 80% working interest held by a subsidiary of Deep Well Oil & Gas Inc. ("DWO") in the 36.5 sections of oil sands leases that, along with Andora's 100% owned 16 sections, are believed to include the thickest net oil pay sands and contain the majority of the original oil in place as defined by a resource report conducted by AMJ Petroleum Consultants for Pan Orient. In the case of those sections of oil sands leases subject to a farm out agreement between DWO and Signet Energy Inc., the entire 3% GORR on all 80% working interest is to be paid by DWO, although DWO may have only retained a 40% working interest on certain of these sections. As part of the royalty purchase transaction Andora is obligated to become trustee of an additional 3.5% (6.5% total) GORR that also encumbers the same lands held by DWO under the same terms.

An updated reserve report currently underway by Degolyer & MacNaughten ("D&M") for Andora will include an evaluation of the 10% working interest held by Andora in 69.5 sections of oil sands leases, the 100% working interest in 16 sections of oil sands leases (4 sections of which were subject to an earlier September 2005 D&M reserve report) and the newly purchased 3% GORR detailed above. Completion of the updated reserve report is imminent.

Jeff Chisholm, CEO of Pan Orient and Andora, stated: "We are pleased to have purchased this very strategic gross overriding royalty on Deep Well Oil and Gas Inc.'s interests covering the thickest net oil pay sections on the northern block of the Sawn Lake heavy oil pool. This additional interest is strategic in that gross overriding royalties on capital intensive thermal heavy oil projects capture a disproportionate share of the future value at no cost whatsoever to the holder."

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.*

*The TSX Venture Exchange has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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