

PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange - Symbol "POE" – 27,362,810 common shares issued)

Press Release

PRODUCTION TESTING BEGINS AT SAWN LAKE

January 11, 2006

Calgary, Alberta – Pan Orient Energy Corp. ("Pan Orient") is pleased to announce that it has been informed by the operator that production testing is imminent on the first well of the 2006 program at Sawn Lake, Alberta (Pan Orient 10% W.I.). Signet Energy, the operator of the Sawn Lake Heavy Oil project, has informed Pan Orient that a downhole pump has been installed and a testing crew is currently on location. Pan Orient will release further information on the status of the well as flow rates and other relevant information becomes available.

On December 6, 2005 Signet Energy announced that it had successfully drilled the first vertical test well that was plugged back then kicked off horizontally for a distance of approximately 600 meters and cased. Signet stated further: "laboratory analysis determined the core from the vertical well has an average porosity of 32%, permeability in the range of 4 darcys, and over 40 feet of oil pay."

In November 2004 Pan Orient commissioned a third party engineering evaluation of the Sawn Lake Heavy Oil project in accordance with the National Instrument 51-101, "Standards of Disclosure for Oil and Gas Activities" (NI 51-101) through AMJ Petroleum Consultants "AMJ". AMJ estimated a maximum of 1.2 billion barrels of original oil in-place (120 million barrels net to Pan Orient) with an estimated recovery factor of 8% resulting in 9.6 million barrels of potentially recoverable resources net to Pan Orient.

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

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and 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. This news release may contain forward-looking information. Actual future results may differ materially from those contemplated.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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