## PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange - Symbol "POE" – 45,568,366 common shares issued)

Press Release

## Pan Orient Reports Third Quarter Income of \$9.1 Million

## **November 21, 2008**

Pan Orient Energy Corp. is pleased to provide highlights of its third quarter results in conjunction with the Company's 2008 3<sup>rd</sup> quarter financial statements and associated management's discussion and analysis which can be found online at <a href="https://www.sedar.com">www.sedar.com</a>.

#### HIGHLIGHTS

- Third quarter of 2008 oil revenues increased to \$43.2 million, up 22% from Q2. Oil revenues have increased over tenfold from 2007 levels.
- Q3 2008 net income of \$9.1 million, representing Pan Orient's highest quarterly income in its history.
- September 30, 2008 positive working capital of \$37.7 million along with zero debt.
- \$17.4 million of funds flow from operations in Q3 2008, representing cash flow from operating activities, up from \$10.9 million in Q2 2008.
- Q3 2008 Thailand oil production averaged 7,152 bbl/d gross (4,291 bbl/d net to Pan Orient), despite downtime relating to producing wells being shut-in during the drilling of adjacent development wells from the same surface pad. October 2008 production averaged greater than 11,000 bbl/d gross (6,600 bbl/d net).
- Pan Orient reaffirms its targeted 2008 exit rate of 15,000 bbl/d gross (9,000 bbl/d net to Pan Orient).

# **Selected Quarterly Information**

Revenues   Oil - Thailand   43,241   35,486   32,498   15,435   4,214   2,812   1,573   Royalties - Thailand   (2,808)   (2,349)   (2,254)   (931)   (242)   (265)   (119)   Interest - Canada   209   93   265   234   118   98   125   (265)   (119)   (242)   (265)   (119)   (242)   (265)   (119)   (242)   (265)   (26	2006	2007			2008				
Revenues           Oil - Thailand         43,241         35,486         32,498         15,435         4,214         2,812         1,573           Royalties - Thailand Interest - Canada         209         93         265         234         118         98         125           40,642         33,230         30,509         14,738         4,090         2,645         1,579           Expenses           Stock-based compensation General & administrative General & administrative Foreign venture expenditures DD&A         1,777         1,378         885         1,086         764         764         550           Foreign venture expenditures DD&A         5,000         2,955         3,086         1,185         1,566         1,164         790           Operating & transportation Non-controlling interest Non-controlling interest (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss Current income tax         (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss Current income tax         11,041         8,262         6,360         4,646         -         -         -         -           SRB         8,196<	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Oil - Thailand Royalties - Thailand Interest - Canada         43,241 (2,808) 209         35,486 (2,349) 93         32,498 (2,254) 205         15,435 234         4,214 (242) (265) 118         2,812 (265) 93         1,573 125           Expenses         40,642         33,230         30,509         14,738         4,090         2,645         1,579           Expenses         Stock-based compensation General & administrative         214 1,777         446 1,378         296 85         1,487 1,086         235 764         237 764         642 764         550 764         764 764         550 764         764 764         550 764         764 764         764 764         550 764         764 764         760 764         760 764         760 764         760 764         760 764         760 764         760 764         760 760 760         760 760 760         760 760 760         760 760 760         760 760 760         760 760 760         760 760 760 760         760 760 760 760 760 760 760 760 760 760									(\$000s unless indicated)
Royalties - Thailand Interest - Canada         (2,808)         (2,349)         (2,254)         (931)         (242)         (265)         (119)           Interest - Canada         209         93         265         234         118         98         125           40,642         33,230         30,509         14,738         4,090         2,645         1,579           Expenses           Stock-based compensation         214         446         296         1,487         235         237         642           General & administrative         1,777         1,378         885         1,086         764         764         550           Foreign venture expenditures         619         -<									Revenues
Interest - Canada   209   93   265   234   118   98   125   40,642   33,230   30,509   14,738   4,090   2,645   1,579	431	1,573	2,812	4,214	15,435	32,498	35,486	43,241	Oil - Thailand
Mathematical Properties   Mathematical Pro	(52)	(119)	(265)	(242)	(931)	(2,254)	(2,349)	(2,808)	Royalties - Thailand
Expenses         Stock-based compensation         214         446         296         1,487         235         237         642           General & administrative         1,777         1,378         885         1,086         764         764         550           Foreign venture expenditures         619         -         -         -         -         -         -         40           DD&A         5,000         2,955         3,086         1,185         1,566         1,164         790           Operating & transportation         1,939         2,066         1,686         1,065         411         866         546           Non-controlling interest         (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss         (931)         696         (205)         (473)         1,079         807         (88)           Current income tax         11,041         8,262         6,360         4,646         -	206	125	98	118	234	265	93	209	
Stock-based compensation         214         446         296         1,487         235         237         642           General & administrative         1,777         1,378         885         1,086         764         764         550           Foreign venture expenditures         619         -         -         -         -         -         40           DD&A         5,000         2,955         3,086         1,185         1,566         1,164         790           Operating & transportation         1,939         2,066         1,686         1,065         411         866         546           Non-controlling interest         (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss         (931)         696         (205)         (473)         1,079         807         (88)           Current income tax         11,041         8,262         6,360         4,646         -	585	1,579	2,645	4,090	14,738	30,509	33,230	40,642	
Stock-based compensation         214         446         296         1,487         235         237         642           General & administrative         1,777         1,378         885         1,086         764         764         550           Foreign venture expenditures         619         -         -         -         -         -         40           DD&A         5,000         2,955         3,086         1,185         1,566         1,164         790           Operating & transportation         1,939         2,066         1,686         1,065         411         866         546           Non-controlling interest         (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss         (931)         696         (205)         (473)         1,079         807         (88)           Current income tax         11,041         8,262         6,360         4,646         -									Expenses
Foreign venture expenditures DD&A 5,000 2,955 3,086 1,185 1,566 1,164 790 Operating & transportation 1,939 2,066 1,686 1,065 411 866 546 Non-controlling interest (104) (149) 12 457 (23) 4 (128) Foreign exchange (gain) loss (931) 696 (205) (473) 1,079 807 (88) Current income tax 11,041 8,262 6,360 4,646	518	642	237	235	1,487	296	446	214	
Foreign venture expenditures DD&A 5,000 2,955 3,086 1,185 1,566 1,164 790 Operating & transportation 1,939 2,066 1,686 1,065 411 866 546 Non-controlling interest (104) (149) 12 457 (23) 4 (128) Foreign exchange (gain) loss (931) 696 (205) (473) 1,079 807 (88) Current income tax 11,041 8,262 6,360 4,646	711	550	764	764	1,086	885	1,378	1,777	General & administrative
Operating & transportation         1,939         2,066         1,686         1,065         411         866         546           Non-controlling interest         (104)         (149)         12         457         (23)         4         (128)           Foreign exchange (gain) loss         (931)         696         (205)         (473)         1,079         807         (88)           Current income tax         11,041         8,262         6,360         4,646         -	126	40	-	-	-	-	-	619	Foreign venture expenditures
Non-controlling interest (104) (149) 12 457 (23) 4 (128) Foreign exchange (gain) loss (931) 696 (205) (473) 1,079 807 (88)  Current income tax 11,041 8,262 6,360 4,646  SRB 8,196 9,601 11,335  Future income tax increase (483) 3,631 (1,414) (28) 40 (70)  (reduction) 31,584 24,772 27,086 8,039 4,004 3,882 2,282  Net income (loss) 9,058 8,458 3,423 6,699 86 (1,239) (703)  Per share basic (\$) 0.20 0.19 0.08 0.15 0.00 (0.03) (0.02)  Per share diluted (\$) 0.19 0.17 0.07 0.14 0.00 (0.03) (0.02)	444	790	1,164	1,566	1,185	3,086	2,955	5,000	DD&Ă
Foreign exchange (gain) loss (931) 696 (205) (473) 1,079 807 (88) Current income tax 11,041 8,262 6,360 4,646	535	546	866	411	1,065	1,686	2,066	1,939	Operating & transportation
Current income tax         11,041         8,262         6,360         4,646         -	(29)	(128)	4	(23)	457	12	(149)	(104)	Non-controlling interest
SRB Future income tax increase (reduction)         8,196 (483)         9,601 (483)         11,335 (1,414)	(201)	(88)	807	1,079	(473)	(205)	696	(931)	Foreign exchange (gain) loss
Future income tax increase (reduction)         3,833         (483)         3,631         (1,414)         (28)         40         (70)           31,584         24,772         27,086         8,039         4,004         3,882         2,282           Net income (loss)         9,058         8,458         3,423         6,699         86         (1,239)         (703)           Per share basic (\$)         0.20         0.19         0.08         0.15         0.00         (0.03)         (0.02)           Per share diluted (\$)         0.19         0.17         0.07         0.14         0.00         (0.03)         (0.02)	-	-	-	-	4,646	6,360	8,262	11,041	Current income tax
(reduction)           31,584         24,772         27,086         8,039         4,004         3,882         2,282           Net income (loss)         9,058         8,458         3,423         6,699         86         (1,239)         (703)           Per share basic (\$)         0.20         0.19         0.08         0.15         0.00         (0.03)         (0.02)           Per share diluted (\$)         0.19         0.17         0.07         0.14         0.00         (0.03)         (0.02)	-	-	-	-	-	11,335	9,601	8,196	SRB
31,584         24,772         27,086         8,039         4,004         3,882         2,282           Net income (loss)         9,058         8,458         3,423         6,699         86         (1,239)         (703)           Per share basic (\$)         0.20         0.19         0.08         0.15         0.00         (0.03)         (0.02)           Per share diluted (\$)         0.19         0.17         0.07         0.14         0.00         (0.03)         (0.02)	(1,072)	(70)	40	(28)	(1,414)	3,631	(483)	3,833	
Per share basic (\$)         0.20         0.19         0.08         0.15         0.00         (0.03)         (0.02)           Per share diluted (\$)         0.19         0.17         0.07         0.14         0.00         (0.03)         (0.02)	1,032	2,282	3,882	4,004	8,039	27,086	24,772	31,584	
Per share diluted (\$) <b>0.19</b> 0.17 0.07 0.14 0.00 (0.03) (0.02)	(447)	(703)	(1,239)	86	6,699	3,423	8,458	9,058	Net income (loss)
	(0.01)	(0.02)	(0.03)	0.00	0.15	0.08	0.19	0.20	Per share basic (\$)
Annual and a first and (A-1/4)	(0.01)	(0.02)	(0.03)	0.00	0.14	0.07	0.17	0.19	Per share diluted (\$)
Average production, net (pbl/d) 4,291 3,894 4,604 2,320 /22 501 344	118	344	501	722	2,320	4,604	3,894	4,291	Average production, net (bbl/d)
Capital expenditures (1) <b>13,627</b> 6,686 3,581 6,524 9,035 5,277 1,390	4,250	1,390	5,277	9,035	6,524	3,581	6,686	13,627	Capital expenditures (1)
Funds flow from operations (2) <b>17,366</b> 10,947 10,612 7,942 2,455 1,014 442	(786)	442	1,014	2,455	7,942	10,612	10,947	17,366	
Shares outstanding (000s) <b>45,650</b> 45,770 45,247 45,218 41,635 40,135 40,057	40,057	40,057	40,135	41,635	45,218	45,247	45,770	45,650	

Not including acquisition of Indonesian companies. Refer to "non-GAAP Measures" for calculation

# **Production and Corporate Netback**

	Three Months			nths Ended	
	Septembe		September 30		
	2008	2007	2008	2007	
Oil revenue (\$000s)	43,241	4,214	111,225	8,598	
Average daily production (bbls/d)	4,291	722	4,263	524	
Operating netback (\$)					
Realized oil price	109.54	63.44	95.22	60.14	
Royalties	(7.11)	(3.64)	(6.34)	(4.38)	
Operating expenses	(2.30)	(3.70)	(2.31)	(10.25)	
Transportation expenses	(2.61)	(2.49)	(2.56)	(2.50)	
Total operating netback	97.52	53.61	84.01	43.28	
Interest income	0.53	1.77	0.49	2.38	
General & administrative expenses	(4.50)	(11.50)	(3.46)	(14.54)	
Foreign new venture expenditures	(1.57)	-	(0.53)	-	
Realized foreign exchange	0.75	(6.93)	(0.27)	(3.22)	
Special Remuneratory Benefit	(20.76)	-	(24.94)	-	
Income tax	(27.97)	-	(21.97)	-	
Total corporate netback	44.00	36.95	33.33	27.90	

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