PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange – Symbol “POE” – 45,391,442 common shares issued)

Press Release

PAN ORIENT REPORTS $6.7 MILLION NET INCOME IN THE FOURTH QUARTER OF 2007

May 1, 2008

CALGARY, ALBERTA - Pan Orient Energy Corp. has released its December 31, 2007 Consolidated Financial Statements and related Management’s Discussion and Analysis (“MD&A”). The following are excerpts from the MD&A which can be viewed in its entirety on SEDAR at www.sedar.com.

SELECTED QUARTERLY INFORMATION

	2007			
	Q4	Q3	Q2	Q1
Revenues				
Oil - Thailand	$15,435,470	4,213,990	2,811,536	1,572,582
Royalties - Thailand	(930,896)	(241,511)	(264,804)	(119,486)
Interest - Canada	233,627	117,656	98,215	125,065
	14,738,201	4,090,135	2,644,947	1,578,161
Expenses				
Stock based compensation	1,487,409	235,183	237,199	641,534
General and administrative	1,085,586	763,766	764,776	550,188
Foreign expenditures	-	-	-	40,000
DD & A	1,185,117	1,565,965	1,164,110	789,733
Operating & transportation	1,064,841	411,053	866,345	546,050
Non-controlling interest	457,560	(22,800)	3,865	(127,565)
Foreign exchange loss (gain)	(472,731)	1,079,351	807,364	(88,357)
Current tax	4,645,510	-	-	-
Future income tax increase (reduction)	(1,414,209)	(28,158)	39,850	(70,450)
	8,039,083	4,004,360	3,883,509	2,281,133
Net income (loss)	$6,699,118	85,775	(1,238,562)	(702,972)
Income (loss) per share	$ 0.15	0.00	(0.03)	(0.02)
Average quarterly production, net to Pan Orient (bbl/d)	2,320	722	501	344

The Company recorded oil revenues of $24,033,578 for the year ended December 31, 2007, nearly twenty times the $1,256,447 in oil revenues in 2006. The fourth quarter 2007 oil revenues of $15.4 million were approximately 3.7 times those recorded in the third quarter of 2007. Oil production, net to Pan Orient, averaged 2,320 bbl/d in the fourth quarter, and 974 bbl/d for all of 2007. Oil production averaged 69 bbl/d in 2006. Oil prices averaged $67.45 for the year (2006 - $49.98). The production in the fourth quarter of 2,320 bbl/d was enough for the Company to achieve net income of $6.7 million in the quarter. Oil revenues are expected to continue to rise substantially as the Company continues its exploration and Na Sanun East development programs in 2008.

Royalty expenses on Thailand oil production were $1,556,697 in 2007 (up from $179,280 in 2006), or about 6.5% of sales. The included government royalty is 5% of gross production up to 2,000 bbl/d, and increases to 6.25% for gross production between 2,000 and 5,000 bbl/d, 10% for gross production between 5,000 and 10,000 bbl/d, and 20% for gross production between 10,000 and 20,000 bbl/d. Gross production of 10,000 bbl/d will yield a 7.9% royalty rate.

Interest income on the Company's cash balances was $574,563 for 2007 (2006 - $704,827).

Non-cash stock based compensation expenses totaled $2,601,325 in 2007 (2006 - $1,773,121). As required under Canadian GAAP, the Company uses the fair value method to account for its stock based compensation. Included in non-cash based stock compensation expense is $300,000 related to stock options granted in Andora, entitling the holders to acquire common shares of Andora.

General and administrative expenses (G&A) during 2007 totaled $3,164,316, up from $1,743,260 in 2006. The 2007 G&A levels reflect additional Thai staff and administrative costs relating to the increased levels of drilling and production activities compared to 2006. The Company does not anticipate any significant G&A increases based on existing Thai concessions, as it feels it is adequately staffed for planned growth.

Thailand production and operating costs totaled $2,024,265 in 2007 (2006 - $779,121). Transportation costs (trucking of the oil) totaled $864,024 in 2007 (2006 - $45,085). Operating costs averaged $5.68 per barrel in 2007, and oil transportation costs averaged $2.42 per barrel during 2007. Operating costs per barrel continue to fall as production rises, as a significant portion of the Thailand operating costs are fixed including expatriate production managers salaries. The fourth quarter of 2007 operating and transportation costs combined totaled $4.99 per barrel.

Depletion, depreciation and accretion (DD&A) totaled $4,704,925 ($13.20/bbl) in 2007 (2006 - $843,863 or $33.50/bbl). The Company's fourth quarter of 2007 depletion rate fell to $5.41 per barrel due to the production success of the Na Sanun and Na Sanun East oil fields being recognized in the form of higher proven reserves in the 2007 year end reserve report.

The Company expensed $40,000 in foreign new ventures expenditures in 2007 (2006 - $126,297), relating to costs incurred pursuing acquisitions in India.

As a result of holding both Thai Baht and US dollar currency and working capital, the Company posted a foreign exchange loss of $1,325,627 for the year compared to a gain of $141,125 in 2006. The 2007 loss is largely unrealized and results from the Canadian dollar appreciating against the US dollar.

The Company recorded income of $4,843,359 ($0.12 per share) for the 2007 year, as compared to a loss of $2,286,489 ($0.07 per share) in 2006.

The Company expects that it will pay both a Thai income tax, at a 50% rate, and a Thai special remuneratory benefit tax on profits, at sliding scale rates (0-75% by concession) in 2008 and beyond.

As a result of increasing production levels and revenues, the Company generated positive cash flow prior to changes in non cash working capital from its consolidated operating activities of $11,853,329 during 2007. The fourth quarter's cash flow prior to changes in non cash working capital represented $7.9 million of that number.

During 2007 the Company spent approximately $22.2 million on petroleum and natural gas property additions including a Na Sanun East seismic program ($3.0 million), the 100% L53/48 seismic program ($4.7 million), and significant inventory additions ($2.1 million) in preparation for continued drilling.

At December 31, 2007, Pan Orient's consolidated accounts included approximately $38.6 million of working capital including $36.9 million of cash. The Company's Thailand activities are now self funding and generate excess cash at current operating levels.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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