

## **PAN ORIENT ENERGY CORP.**

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

Press Release

### **ASIA OPERATIONS UPDATE**

**November 27, 2008**

#### **THAILAND**

##### **NSE-C1 appraisal well (60-per-cent working interest and operator)**

The NSE-C1 appraisal well, located in an area of 3P reserves as defined in the year end 2007 NI 51-101 compliant reserves report, is currently pumping through the tubing and free flowing through the casing at a restricted rate of 575 bopd with a water cut of 7%. The water cut continues to decline and rates will likely be increased when the well has cleaned up. Over 1,900 bbls of drilling mud and water was lost to the formation during the drilling of the main volcanic reservoir section.

The results of NSE-C1 came in generally as predicted by an integrated geologic reservoir model that was recently completed for Pan Orient by Rock Deformation Research (RDR), a group based in Leeds, UK. This NSE reservoir model is currently in the process of being formatted into reservoir simulation software for a simulation study that will be completed in early Q1 2009 and will form a basis for an estimation of NSE reserves.

##### **NSE-D3 appraisal well (60-per-cent working interest and operator)**

The NSE-D3 appraisal well is currently pumping through the tubing and free flowing through the casing at a restricted rate of 1,130 bopd with a water cut of 4%. As with NSE-C1, the water cut continues to decline and rates will likely be increased when the well has cleaned up.

The NSE-D3 appraisal well was drilled into the main volcanic reservoir at a depth of approximately 823 meters TVD and a sub surface location approximately 315 meters north west of the NSE-D1 location. A highly fractured volcanic reservoir section was encountered that resulted in over 6,000 barrels of drilling fluid and water losses. An 8 meter highly fractured oil stained core was cut through the main reservoir objective.

##### **NSE-D2 appraisal well (60-per-cent working interest and operator)**

The NSE-D2 appraisal well encountered the top of the main volcanic reservoir at 754 meters true vertical depth (TVD) approximately 330 meters north of the NSE-D1 location. Approximately 34 meters of highly fractured volcanic reservoir was drilled with mud losses of approximately 1,200 barrels. The well was put on test, flowing mainly gas with some oil, indicating close proximity to an interpreted gas/oil contact. Rig 14 is currently drilling ahead on a side track that

is planned to encounter the main volcanic reservoir approximately 10 to 15 meters structurally lower into the oil leg, below the gas/oil contact. Upon the completion of drilling, the well will be tested and results reported when complete.

### **NSE-E1 exploration well (60-per-cent working interest and operator)**

The NSE-E1 exploration well, located approximately 260 meters due west of the NSE-D1 drill pad is currently setting casing just above the main volcanic reservoir target at a depth of 881 meters. The objective of the well is to test a volcanic reservoir prospect on the downthrown side of the main fault that defines the western limit of the NSE field. There are currently no reserves attributed to this area.

### **Thailand Production**

Thailand production is currently over 14,000 barrels gross (net to Pan Orient >8,400) of oil per day. Up to two additional wells (not including the currently drilling NSE-D2) may be drilled into the NSE field between now and year end depending on reservoir performance balanced against the desire to complete at least two high impact wells targeting: 1) an area of large resource potential east of and adjacent the NSE producing area, and 2) a potential oil leg interpreted to be down dip to gas that was tested in the Bo Rang-1 well. Bo Rang-1 was drilled by a previous operator in 1990 and flowed gas at a rate of 5.5 MMcf/d from one of four potential volcanic zones.

## **INDONESIA**

### **Citarum PSC (69-per-cent working interest and operator)**

Testing operations are currently underway over the high risk, high impact reef target in the Pasundan-1 well, located onshore West Java, Indonesia. Pasundan-1 was drilled approximately one year ago by the former operator of the Citarum PSC, targeting a very large seismically defined reef. The well encountered approximately 500 meters of limestone section with 21 meters of cavernous reservoir in the upper portion. Severe drilling difficulties were experienced with the loss of over 100,000 barrels of drilling fluid into the cavernous zone, requiring approximately a 30 day period to control the mud losses, which resulted in the well going severely over budget. Subsequently, the well was cased and two tests were conducted over the bottom portion of the reef, both unsuccessful. Financial difficulties necessitated the suspension of the well, for testing of the cavernous zone at a future date. Total cost of testing is estimated at \$1.75MM USD (\$1.4MM USD net to POE) with approximately \$18MM USD spent on drilling, prior to POE acquiring a 69% interest in this concession. Cement plugs are currently being drilled out with perforation and flow testing of the main zone anticipated within the next 10 days. Test results will be announced upon completion, anticipated prior to year end.

The limestone reefs in the area of Pasundan-1 represent one of numerous potential play types on the concession with the largest area dominated by large western Canada foothills style folds. Existing seismic data covers approximately 20 percent of the concession area. An approximately 800 km 2D seismic survey is currently underway with first shots anticipated in the next few

weeks, the majority of the survey is targeting several large, surface expressed leads in anticipation of drilling in late 2009.

### **Batu Gajah PSC (90-per-cent working interest and operator)**

Permitting activities are currently underway for a 500 km 2D seismic survey that is planned to commence in early 2009 in the onshore Sumatra Batu Gajah PSC. The newly acquired seismic data, in combination with existing data, will form the basis for a late 2009 drilling program that will include up to three wells.

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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### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Pan Orient Energy Corp.

Jeff Chisholm, President and CEO

- or -

Jason Bednar, Vice President Finance and CFO

Telephone: (403) 294-1770