

## **PAN ORIENT ENERGY CORP.**

(Listed on the TSX Venture Exchange - Symbol "POE" – 45,146,842 common shares issued)

Press Release

### **PAN ORIENT ENERGY POSTS THIRD QUARTER PROFIT**

**December 3, 2007**

Pan Orient Energy Corp. is pleased to report highlights of its third quarter financial and operating results, as released on November 30, 2007. The full third quarter financial statements, including Management's Discussion and Analysis, can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Highlights include:

- Oil revenues of \$4.2 million for the 3 months ended September 30, 2007, an increase of 50% from those reported in the second quarter. Third quarter 2007 revenues were approximately 16 times those reported in the same period of 2006.
- Oil production, net to Pan Orient, averaged 722 bbl/d in the third quarter, up 44% from 501 bbl/d in the second quarter of 2007. Oil production was 50 bbl/d in the third quarter of 2006.
- Realized oil prices averaged \$63.46/bbl in the third quarter of 2007, and \$60.14/bbl for the first nine months of the year.
- This relatively modest oil production in the third quarter, of 722 bbl/d, was enough for the Company to post its first profitable quarter, with net income of \$85,775 despite a \$1.1 million foreign exchange loss in the quarter resulting from the strong Canadian dollar appreciation.
- Since September 30, 2007, the Company has drilled and tested several significant wells, and has production capacity of over 3,600 bbl/d, net to Pan Orient. Oil production and revenues are expected to continue to rise substantially as the Company continues its 2 rig drill program throughout the remainder of the year, and into 2008.
- Operating costs per barrel continue to fall as production rises, as a significant portion of the Thailand operating costs are fixed. The posted operating costs of \$6.19/bbl in the third quarter of 2007 are down substantially from \$13.92 in the second quarter of 2007.
- During the quarter, the Company's 53.5% owned subsidiary, Andora Energy Corporation, completed a business combination with Signet Energy Inc., increasing Andora's probable and possible recoverable reserves to 234 million barrels of oil, as defined by an independent third party engineering firm.
- At September 30, 2007, Pan Orient had approximately \$4.3 million of net positive working capital plus an additional \$6.3 million of other cash deposits securing longer term projects. On November 14, 2007, Pan Orient closed a 3.5 million share financing for net proceeds of \$30.1 million. These funds, plus cash flows at current production levels, position Pan Orient well to pursue new ventures activities focused on South and South East Asia.

## **Mr. Paul Wright - Director**

Pan Orient is also pleased to announce the appointment of Mr. Paul Wright to its Board of Directors. Mr. Wright has over 25 years of oil and gas industry experience. He graduated from Queen's University with a Bachelor of Commerce Degree and obtained his Chartered Accountant designation in 1983. He has worked in senior financial roles in both domestic and international oil and gas companies most recently as the Vice President Finance & CFO of Niko Resources Ltd. He currently sits on the board of Dominion Equity Resource Fund.

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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