

## **PAN ORIENT ENERGY CORP.**

(Listed on the TSX Venture Exchange - Symbol "POE" – 27,273,165 common shares issued)

Press Release

### **Settlement of Carnarvon Litigation**

**30 November 2005**

The Boards of Directors of Pan Orient Energy Corp. ("Pan Orient") and Carnarvon Petroleum Limited (Carnarvon) are pleased to announce that they have agreed on terms of settlement that will end all litigation between Carnarvon's subsidiary Strategic Exploration (Asia) Limited ("SEAL") and Pan Orient's newly acquired subsidiaries Tiger Petroleum Inc ("Tiger") and Pacific Tiger Energy Thailand ("PTET") in relation to the Wichian Buri Joint Venture in Thailand.

The settlement terms have been resolved amicably on an equitable commercial basis and importantly will provide a sound platform for future operation of the joint venture.

The principal terms agreed by Pan Orient and Carnarvon provide for:

- Pan Orient to fund SEAL's share of the cost of the next two wells to an aggregate limit of US \$350,000 (with an estimated most likely cost of US \$208,000).
- Pan Orient or nominee to be appointed to operate the joint venture.
- A new operating agreement that will incorporate terms and conditions substantially in line with industry standards.
- Confirmation that SEAL is entitled to a 40% interest in Exploration Block L33/43 and acknowledgement by SEAL that it will contribute 40% of all costs from the initial application date.
- SEAL discontinuing all litigation including but not limited to:
  - Legal proceedings in Alberta, Canada, against PTET and Tiger, which seeks specific performance of the joint operating agreement, including an order that PTET transfer all its interests in the joint venture (concessions L44/43) to SEAL.
  - A claim that the joint venture properties included Exploration Block L33/43 and claims for damages of US\$2.2 million for negligence, breach of contract and breach of fiduciary duties, and ancillary relief.
  - An application to find that Tiger, and certain of its former officers and directors failed to comply with an Order of Justice Marshall of the Alberta Court of Queens Bench in three specific respects.

- A Statement of Claim for payment of US \$107,242 with respect to alleged over funding of a seismic acquisition program.
- Pan Orient agreeing that US\$100,000 of any amounts owing or incurred in the restructuring of the Joint Venture will be waived.
- Execution of appropriate forms of indemnification and release by each party.

Commenting on the settlement agreement, Pan Orient's President and CEO, Jeff Chisholm stated: "We are pleased to have finalised an equitable commercial arrangement with Carnarvon Petroleum that will allow prudent and timely development of the Joint Venture's assets in Thailand. We view the settlement terms with Carnarvon as a sensible solution that allows us to move forward with exploitation of valuable assets that we acquired at a cost of \$14.69 per net proven barrel (0.609 million barrels) and \$1.04 per net proven and probable barrel (9.061 million barrels). Of equal importance, we feel the revised working relationship with our partner in the Thai joint venture will benefit both parties as the aggressive 2006 work program proceeds".

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