

PAN ORIENT ENERGY CORP.

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

Press Release

THAILAND: L44H-D1 ON PRODUCTION AT 3,940 BOPD

December 12, 2007

L44H-D1 (60% WI & Operator)

Deviated well L44H-D1 is flowing at a sustained, stabilized rate of approximately 3,940 barrels per day of 35.5 degree API oil with a water cut of 0.05%. The well is free flowing through casing and tubing with restricted choke setting of 38/64" and 26/64" respectively. Flowing wellhead pressures on casing and tubing remain high at 280-285 psi. Load out of oil tankers from the well location is the determining factor in not taking production higher at this stage.

Pan Orient has been informed by the Thailand Department of Mineral Fuels that this is the highest flow rate ever achieved by any oil well drilled onshore Thailand.

L44H-D1 reached a total measured depth ("MD") of 1,217 meters, 866 meters true vertical depth ("TVD"), at a subsurface location approximately 700 meters north of the oil producing L44-H well location within the central fault compartment of the NSE field. The top of the main volcanic was penetrated at a depth of approximately 1,016 meters MD (755 meters TVD) with over 200 meters measured thickness (111 meters true thickness) of the target volcanic reservoir penetrated. The drill bit was still within the main target volcanic reservoir when the decision was made to call total depth on the well. L44H-D1 is the structurally highest volcanic reservoir penetration within the NSE field encountered to date. Total drilling fluid losses of 9,385 bbls at rates of 100 to 260 bbls/hr were observed while drilling through the main target. Wiper trips at 1,155 meters MD and 1,217 meters MD had resulted in oil to surface. This was the third well drilled into NSE's central fault compartment.

These test results at L44H-D1 confirm an oil column at Na Sanun East ("NSE") of a minimum of 150 meters.

Looking forward, the implications of this well on NSE field development are significant. L44H-D1 was a highly deviated well (approximately 51 degrees) at the time it intersected the top of the main volcanic objective. Based on these results, consideration is being given to full NSE field development utilizing up to 12 horizontal wells, the potential advantages being: 1) maximum reservoir thickness penetration 2) improved access to the extensive fracture network 3) less drawdown at higher rates, and 4) greater distance between the well bore and the oil/water contact, likely reducing the time to water breakthrough.

NS6-D1A Sidetrack (60% WI & Operator)

Sidetracked well, NS6-D1A is free flowing 35.5 API oil at a stabilized pre-cleanup rate of 615 bopd with choke setting of 18/64" on both casing and tubing. Flowing wellhead pressures are between 150 and 120 psi and water cut is approximately 0.05%.

NS6-D1A is located within the south fault compartment of the NSE structural closure approximately 400 meters north of the original POE-9 discovery well. The well penetrated approximately 23 meters of the main volcanic target with mud losses at rates of 20 bbl/hr. This was the fifth well drilled into NSE's southern fault compartment.

WICHIAN BURI-1 "DEEP" (60% WI & Operator)

The Aztec #14 rig is drilling ahead at a depth of 900 meters after setting 9 5/8" casing at 362 meters. Drilling is anticipated to take approximately 8 days to reach total depth.

WB-1 (Deep) is targeting an approximately 220 meter thick volcanic at a depth of 1,503 meters. This interval was penetrated by the original WB-1 well in 1988, resulting in severe lost circulation with approximately 20,000 bbls of drilling fluid losses that were associated with very high mud gas readings while drilling through the potential volcanic reservoir. Subsequent sidewall cores taken over this interval indicated oil staining. This deeper volcanic zone was never properly evaluated by the earlier operator as the shallower, conventional F sandstone reservoir tested oil at 500 bopd.

Outlook

Current field production capacity is now greater than 10,000 bopd gross (6,000 bopd net to Pan Orient) with average deliveries to the refinery of between 5,500-6,000 bopd gross (3,300-3,600 bopd net), limited by the capacity of the tanker fleet. Delivery is anticipated to increase to 7,000 bopd gross (4,200 bopd net) in late December 2007. The use of a new loading bay at the existing refinery has been negotiated, bringing the refinery capacity up to approximately 10,000 bopd gross. Upon approval of the NSE production license by the Thailand Department of Mineral Fuels, a second refinery contract is anticipated to be signed, bringing the total refinery unloading capacity to over 20,000 bopd gross.

Pan Orient Thailand management continue working on a number of options to reduce the trucking capacity choke point as quickly as possible. This is a short term issue caused by well deliverabilities far in excess of initial expectations.

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

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