



PAN ORIENT ENERGY CORP.

Press Release

THAILAND OPERATIONS UPDATE

June 29, 2010

Concession L44 (Pan Orient 60% Working Interest and Operator)

Bo Rang "B" Field

L44W-A15-2, a deviated appraisal well located approximately 1.1 kilometers east of the BR-3 and BR-4D1 surface location, encountered the top of the Bo Rang "B" volcanic target at a depth of -473m true vertical depth subsea (TVDSS) and the base at -510.58m TVDSS. The well has been on production for approximately four weeks and is currently flowing at a rate of 360 BOPD gross (216 bopd net) after initially producing at approximately 500 BOPD.

L44W-A15ST1, a step out horizontal appraisal well drilled from the same surface location as the L44W-A15-2 well and a target location approximately 500 meters south of the L44W-15-2 well. The well encountered the Bo Rang "B" volcanic target at a depth of -439m TVDSS and the base at -463m TVDSS. The well has been on production for approximately five weeks at a rate of 56 BOPD after initially coming on at approximately 300 BOPD. It is believed the unexpected low rates relative to the deviated L44W-A15-2 well above, may be due to drill cuttings lodged in the fracture system behind the perforated liner that was used in the completion.

L44W-A14, a step out appraisal well located approximately 1.1 kilometers east of the L44W-A15 surface location was drilled to test the areal extent of the Bo Rang "B" field assigned as possible reserves in the December 31, 2009 reserve report ("3P"). The main Bo Rang "B" volcanic reservoir was encountered at a depth of -539m TVDSS, two meters below the estimated oil water contact of -536m TVDSS assigned as probable reserves in the December 31, 2009 reserve report ("2P") and the base of the volcanic at -564m TVDSS, four meters below the 3P estimated oil water contact of -560m TVDSS. The well is planned to be tested over three intervals, of which the bottom two have been completed:

- Test #1: Casing was set over the upper portion of the volcanic target in order to isolate the lower 38 meters, below the 3P oil water contact. Testing of the base of the volcanic interval resulted in the recovery of approximately 1 barrel of oil and 63 barrels of water (mainly brine) before the well reached pump off due to a lack of permeability.
- Test #2: The interval -532 to -550 meters TVDSS, located in the uppermost 18 meters of the target volcanic was perforated at a depth straddling the 2P oil water contact. The well produced 1 barrel of oil and 38 barrels of brine before pumping off due to low permeability.
- Test #3 will commence in the next two days with perforations over a nine meter thick volcanic that was encountered above the main Bo Rang "B" volcanic target and exhibited good oil shows while drilling.

Summary

Drilling results within the Bo Rang "B" field appear to confirm the 2P oil water contact at -536m TVDSS and provide modest encouragement with regard to the 3P potential inferred by the very minor quantity of oil recovered from the interval -618 to -657 meters TVDSS at L44W-A14, the top being approximately 58 meters below the estimated 3P oil water contact of -560m TVDSS. There remains a large area of hydrocarbon potential within the Bo Rang "B" and Bo Rang "A" field areas that will be the focus of continued development drilling activities.

NSE-F1 Field

NSE-F2 was a vertical well drilled from a surface location approximately 1.2 kilometers north east of the NSE-F1 discovery well surface location and outside of the NSE-F1 field reserve envelope for proven reserves in the December 31, 2009 reserve report ("1P"). The top of the target volcanic zone was encountered at a depth of -675 meters TVDSS and the base at -732 meters TVDSS. Testing of the open hole interval -675 to -732 meters TVDSS resulted in the recovery of 18 BOPD of oil with 172 barrels of water. The well confirms a field areal extent much greater than the 1P envelope, but with an oil water contact most likely 79 meters higher than the 2P oil water contact estimate.

NSE-F3 was a deviated appraisal well approximately 1.6 kilometers south east of NSE-F2 described above. The top of the main volcanic objective was encountered at a depth of -646 meters TVDSS and the base at -689 meters TVDSS. Testing resulted in the recovery of approximately 0.6 million cubic feet of gas per day with no liquids.

NSE-F4 is a deviated development well drilled from the NSE-F2 surface pad targeting the main volcanic reservoir objective approximately 120 meters south of the original NSE-F2 well and approximately 35 meters structurally higher. The well is currently setting casing just above the main target zone and is anticipated to be completed drilling in the next three days.

Summary

The NSE-F1 field oil water contact is now estimated at approximately -696 meters TVDSS and the area of hydrocarbon accumulation appears much larger than the original 1P reserve envelope. There appears to be a gas cap of undefined areal extent that will be better defined after the drilling and testing of the NSE-F4 well. There remains a large area of potential defined by the inferred oil water contact and the lowest known gas that will be the focus of continued development drilling.

NSE Central Field

NSE-H3, an infill development well targeting the main volcanic reservoir at within the NSE Central field, was deepened to open up an additional 10 meters of potential volcanic reservoir. The well was placed back on production approximately three days ago and is currently flowing gas at approximately 0.73 million cubic feet per day with 10 barrels of oil and 45 barrels of completion brine per day. The well will continue to be tested until it stabilizes.

Concession L53 (Pan Orient 100% Working Interest and Operator)

The two square kilometre L53-A production license over the L53-A discovery was submitted to the Government of Thailand on May 24, 2010. Based on ongoing discussions with the Thailand Department of Mineral Fuels, approval is anticipated in July at which time the L53-A well will be put back on production at approximately 175 BOPD and the 13,500 barrels of oil currently in storage will be sold.

Production

Production has averaged 3,831 BOPD to date in the month of June 2010 (net to Pan Orient and excluding approximately 175 BOPD of production shut-in for the L53-A well). This is well behind the pace required for a 2010 production average of 6,000 barrels of oil per day that was forecast at the beginning of the year.

In the first quarter of 2010, delays in production growth were mainly the result of slower than anticipated drilling related to problems encountered on a series of horizontal wells. These issues in the first quarter of 2010 were rectified in the second quarter with the average drilling time per well reduced to approximately ten days from rig on location to rig off. Well costs, including drilling and completing for production of approximately \$0.8 to \$1.1 million dollars (\$0.48 to \$0.66 million dollars net to POE) were within expectations but production performance on the newly drilled wells has been below the 400 bopd (gross) average that was forecast. This is mainly the result of higher risk early stage appraisal wells seeking the limits of the NSE-F1 and Bo Rang "B" oil accumulations. NSE-F2 encountered the field oil water contact higher than anticipated but extended the areal extent of hydrocarbon charge materially outside of the 1P reserve envelope. NSE-F3 encountered a gas cap at the up dip crest of the NSE-F1 structure and L44W-A14, with one zone still left to test, evaluated the Bo Rang "B" reservoir below and at the 2P and 3P reserve envelope limits.

Through the remainder of 2010, Pan Orient plans continued development drilling at Bo Rang "B", Bo Rang "A", NSE-F1, Wichian Buri, Na Sanun and a drilling program of approximate three wells in Concession L53 commencing in August 2010. In Concession L33 (Pan Orient 60% and Operator) a commitment well is planned in early July. A balance of continued development drilling in Concession L44 and Concession L53 for the remainder of the year will preserve financial flexibility for Pan Orient's aggressive 2010 Indonesian exploration drilling program.

Based upon the future results from Concession L44 in combination with the results of the Concession L53 drilling program, management will be in a better position to review and depending on results possibly revise the 2010 production guidance in the third quarter of the year.

Please refer to Pan Orient's updated corporate presentation that will be posted on the company's website later this morning at www.panorient.ca.

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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