

PAN ORIENT ENERGY CORP.

(Listed on the TSX Venture Exchange - Symbol "POE" – 45,391,442 common shares issued)

Press Release

THAILAND DRILLING UPDATE

June 12, 2008

L44H-D2 Exploration/Appraisal Well Testing (60% WI & Operator)

The L44H-D2 deviated appraisal well, in addition to the main volcanic zone, penetrated five deeper never before tested volcanic intervals. Testing has now been completed on the four most prospective deeper volcanic zones resulting in the failure to yield commercial hydrocarbons.

The last test, within the main producing volcanic zone, through casing perforations (whereas the other NSE wells are produced optimally as open hole wells) between 840 and 860 meters MD has resulted in oil production at a restricted rate of approximately 600 bopd.

NS5-D1ST Horizontal Development Well (60% WI & Operator)

The NS5-D1ST horizontal development well, located in the southern most, down dip portion of the NSE Central fault compartment had reached a total measured depth of 1,406 meters (872 meters TVD) within the target volcanic reservoir zone. Testing has now been underway for approximately 4 days with the well on low pump setting and still in clean up stage, after the loss of 7,200 barrels of mainly fresh water pumped into the formation during drilling operations. Oil rates have been variable between 85-140 bopd with 60 to 142 barrels of fresh water.

NS5-D1ST is the last of two wells (the other being NS3-D1ST announced on May 27) to be drilled on the structurally low flanks of the Na Sanun East oil field. NS3-D1ST and NS5-D1ST were the only accessible locations on NSE prior to the granting of recently received environmental approval for the drilling of an additional 19 development and appraisal wells within the area of the NSE field. Drilling of these new locations is about to commence, as detailed later in this release.

L33-3 Exploration Well (60% WI & Operator)

The L33-3 exploration well, located on concession L33, was drilled to a total true vertical depth of approximately 1,084 meters encountering a potential volcanic reservoir between 960 and 1,084 meters. Lost circulation was encountered at 960, 1,021, 1,035, 1,046, 1,060, 1,064 and 1,082 meters at rates between 4.6 and 120 barrels per hour. Similar to successful POE-9, NS6-D1A and L44-R wells, no oil shows were encountered while drilling the potential reservoir section.

L33-3 is a high risk stratigraphic test well drilled on the basis of one 2D seismic line within the untested Khon Khwang graben, located 33 kilometers north of the nearest proven production at Wichian Buri. The objective of the well is to evaluate the source rock and reservoir potential within the Khon Khwang sub basin. Validation of the source rock presence and maturity would approximately double the region of hydrocarbon potential within concessions L33 and L44 and result in an extensive 2D seismic program over this large area in July 2008.

Testing is anticipated to be completed within 10 to 14 days.

NS9-H1 Horizontal Appraisal Well (60% WI & Operator)

NS9-H1, located within the Na Sanun oil field (due west and distinctly separate from NSE) and within the SW1A contract area, is currently drilling ahead at a true vertical depth of 433 meters towards the horizontal kick off point above the main volcanic reservoir objective predicted at approximately 935 meters TVD. The well is planned to intersect the target at a point approximately 250 meters northeast of the NS-1 well and 20 to 25 meters structural higher. Drilling is anticipated to be completed within 14 days.

NSE-A1 Appraisal Well (60% WI & Operator)

The NSE-A1 appraisal well will start drilling in approximately 7 days, immediately after casing has been set on L33-3 and the rig moved on to location. The well is located at the crest of the NSE Central fault compartment, offsetting the L44H-D1 well which is currently producing at 3,300 bopd. The drill pad consists of 4 drilling cellars with the first well planned to be drilled vertically and to core the upper section of the approximately 180 meter thick main volcanic reservoir. An additional three deviated/horizontal wells will be drilled in succession immediately thereafter.

Summary

With the imminent drilling of the NSE-A1 well, full scale development of the NSE field will kick off, with up to 19 wells that are optimally located in the NSE Central fault compartment targeting 2P and 3P reserves, and the Northern fault compartment targeting prospective resources. A delay of 6 months while waiting for environmental approval of the 19 NSE development well locations resulted in the drilling of less than ideal down flank wells (NS3-D1ST and NS5-D1ST) in an attempt to build production and offset the decline in field production from peak levels. The same period also resulted in the building of tanker and refinery offloading capacity up to the approximately 15,000 bopd level, which will ensure deliverability as near term production grows over the coming months.

With the initiation of drilling from the 4 well NSE-A pad, production is anticipated to increase significantly over the coming two to three month period. An additional three multi-well pads are under construction over the northern undeveloped portion of the NSE central fault compartment. In addition, land purchase is underway for a number of drilling locations in the NSE north fault compartment (a large prospective resource region) and the NSE central fault compartment (a large 3P reserve region), with the objective of increasing the Company's proved and probable reserves.

Field production to date has been well within management expectations, given the six month delay in location approvals. Current production capacity is approximately 7,900 bopd gross (Pan Orient 60% WI). Of this production, only 3 wells have more than a 1% water cut; the 2 structurally lowest wells (NS3-D1ST and NS5-D1ST) and L44H-D2.

NS3-ST1 was produced as high as 1,800 bopd for three days with nominal water before showing immediate water cuts. It is highly likely that if the well had been choked back to rates of less than 1,000 bopd it would still, and for some time in the future, continue to produce with low water cuts. Analysis indicates water was drawn up from the underlying, nearby water leg as a result of producing at far too high of a rate given the relative permeability between NSE crude and water, and the wells low structural position. Similarly, NS5-D1ST was drilled down flank on the NSE central fault compartment and still in the clean up stage after losing 7,200 bbls of fresh water into the formation due to lost circulation while drilling. L44H-D2, in addition to the approximately 600 barrels of oil production a day, is currently producing approximately 380 barrels of water per day as a result of a very poor cement job over the 180 meter thick, most intensely fractured volcanic section penetrated in any well to date. Within this volcanic section, approximately 80 meters of oil bearing reservoir was penetrated before drilling below the field oil water contact to target the deeper volcanic zones. A remedial cement job was not possible due to two casing strings present over the producing reservoir section, as the well was programmed to target testing of deeper volcanic zones. A nearby well up structure is producing at 0% water and a well down structure at less than 1% water.

All other producing NSE wells, other than the three described above, produce with water cuts ranging from 0.01% and 1.0%. These other wells account for approximately 89% of the NSE oil production.

Of particular note, L44H-D1, the highest flow rate well ever drilled onshore Thailand and located off the crest of the NSE central fault compartment, was put on production at a rate of approximately 3,500 bopd six months ago and continues to produce at approximately 3,300 bopd (representing a decline rate of approximately 6%) with a water cut of 0.01% throughout its history. Cumulative production for this well alone is over 600,000 barrels of oil.

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

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