

## **PAN ORIENT ENERGY CORP.**

(Listed on the TSX Venture Exchange - Symbol "POE" – 45,769,766 common shares issued)

Press Release

### **NSE-A1 NEW POOL DISCOVERY-1,245 BOPD**

**July 17, 2008**

#### **NSE-A1 New Pool Discovery Well (60% WI & Operator)**

The NSE-A1 well is currently free flowing from a newly discovered, approximately 17 meter thick upper volcanic/volcanic clastic reservoir at a restricted rate of approximately 1,245 bopd. Current water cut is approximately 0.5% and flowing tubing and casing head pressures are high at 210 psig @26/64" choke and 340 psig @26/64" choke, respectively.

NSE-A1, located off the crest of the NSE Central fault compartment, was drilled vertically and initially programmed to core the highest section of the approximately 180 meter thick main volcanic reservoir. While drilling through a previously untested upper zone at approximately 720 meters true vertical depth (TVD), and above the main volcanic objective, very high mud gas readings and strong oil shows resulted in the decision to cut a 20 meter core sample. Initial well site analysis of this upper volcanic core indicated mixed fractured volcanics and volcanic clastics with good oil shows throughout and good visible matrix porosity in the volcanic clastic section. The decision was made to TD the well and test this new upper volcanic, and not drill through to the main volcanic interval.

NSE-A1 represents the first oil production within the Central and Southern fault compartment from a zone other than the massive main volcanic. The full areal extent of this upper zone will be evaluated as part of the current round of NSE appraisal drilling; however, initial interpretation suggests this zone may be equivalent to the oil producing zone in the L44G-D1 well located in the Northern fault compartment approximately 3.5 kilometers to the north, the upper volcanic zone at Bo Rang-1 that tested gas (at the crest of the structure) approximately 7 kilometers to the northeast and a very thick (approximately 100 meter thick - gross) section at L44H-D1 that exhibited very good oil shows and very high mud gas readings while drilling through an interbedded clastic and volcanic section that was never logged due to borehole obstructions through that section.

#### **NSE-A3 Horizontal Appraisal Well (60% WI & Operator)**

The NSE-A3 deviated appraisal well has been drilled to a total measured of 897 meters, penetrating the top of the main volcanic target at a depth of 755 meters TVD at a location approximately 420 meters due north of the NSE-A1 surface location. Drilling fluid losses of approximately 3,833 bbls were observed while drilling 60 meters of horizontal section within the upper 6 meters of the approximately 180 meter thick volcanic. A formation micro imaging (FMI) log, indicates intense fracturing of the target volcanic zone. The newly discovered

productive section at NSE-A1, detailed above, was also encountered, and drilled though, in NSE-A3 exhibiting high mud gas readings and good oil shows.

Testing of the main volcanic reservoir zone is anticipated to commence in 7 days with results to be announced shortly thereafter.

Aztec rig #14 is currently skidding over to the NSE-A4 well cellar where another horizontal well will be drilled targeting the main volcanic reservoir at a subsurface location approximately 400 meters northeast of the NSE-A drill pad and near the crest of the NSE Central fault compartment.

#### **L44-C Vertical Appraisal Well (60% WI & Operator)**

The L44-C vertical appraisal well is currently drilling ahead, utilizing the second Aztec drilling rig Pan orient has under long term contract, at a depth of 370 meters towards multi-zone objectives within the F and G sandstones and deeper “WB-1” volcanic at a location 1.15 kilometers north of the POE-6 oil discovery and within the POE-6 fault compartment. The deeper volcanic objective is interpreted to be the same as that encountered at WB-1 “Deep” but situated in a position approximately 250 meters structurally higher.

L44-C is part of a multi-well appraisal program that is intended to define the potential of sandstone and volcanic reservoir targets in the up dip portion of the POE-6 and Wichian Buri fault compartments for future vertical and horizontal infill drilling.

L44-C drilling is anticipated to be completed within 14 days.

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

The L33-3 exploration well, located on concession L33 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 was drilled to a depth of 1,084 meters TVD and abandoned after failing to produce hydrocarbons at commercial rates.

There still remain two additional prospects unrelated to L33-3 within the southernmost portion of the L33 concession. Drilling pads have been completed and drilling is planned to take place later in 2008 at these two locations.

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

NS9-H1, located within the Na Sanun oil field (due west and a distinctly separate field from NSE) has been abandoned after failing to encounter the main reservoir objective. A structurally higher volcanic zone encountered to the north of the main volcanic zero edge, though exhibiting oil shows, failed to produce hydrocarbons at commercial rates.

## Summary

Full scale development of the NSE field and adjacent areas of resource potential, with up to 19 wells, has now commenced. Production is anticipated to ramp up significantly over the coming months as a result of this drilling program. Early drilling results have been exceptionally encouraging with an indicated new pool discovery at NSE-A1, which highlights the resource potential that Pan Orient believes exists within the greater NSE region.

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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**FOR FURTHER INFORMATION, PLEASE CONTACT:**

Pan Orient Energy Corp.

Jeff Chisholm, President and CEO

- or -

Jason Bednar, Vice President Finance and CFO

Telephone: (403) 294-1770