

## **PAN ORIENT ENERGY CORP.**

(Listed on the TSX Venture Exchange - Symbol "POE" – 45,568,366 common shares issued)

Press Release

### **NSE-F1 OIL DISCOVERY**

**March 31, 2009**

#### **THAILAND**

##### **NSE-F1 Discovery (60-per-cent working interest and operator)**

The NSE-F1 well is currently producing 43-47 degree API oil (versus 36 degree API NSE field oil) at approximately 60 bopd with a water cut of approximately 15%. This is a modest flow rate in comparison to the many of the wells Pan Orient has drilled, however, NSE-F1 has established commercial production approximately 1 kilometer northeast of the nearest NSE central field producer, NSE-C1, and upgrades the potential of a large fairway due east of the main NSE central field and south of the Bo Rang gas discovery.

##### **L44-W exploration well (60-per-cent working interest and operator)**

The L44-W high impact exploration well is located 4.7 kilometers north of the Bo Rang-1 gas discovery and is targeting multiple volcanic objectives with structural closures ranging in areal extent from 2.3 to 6 square kilometers, and a maximum potential of 13.7 square kilometers in the upside event that L44-W and Bo Rang are in communication at the main volcanic target level.

The well will be drilling ahead in to the main volcanic objective within the next 36 hours. Prior to setting intermediate casing, the top 2 meters of a secondary volcanic objective had been encountered with mud losses and oil shows observed while drilling.

A shallower (third) volcanic zone was penetrated at 363 meters TVD exhibiting high mud gas readings and oil shows. Image logs run over this interval indicated extensive fracturing.

It is anticipated L44-W will be completed within the next 7 days. Testing of multiple zones is likely to take place shortly thereafter.

##### **NSE-G1 appraisal well (60-per-cent working interest and operator)**

The NSE-G1 appraisal well was drilled to a subsurface location 385 meters north of the NSE-D3 well and is targeting the main volcanic reservoir edge at the boundary of the central and north fault compartments. Approximately 12 meters of main volcanic reservoir was encountered at 783 meters true vertical depth (TVD) with elevated mud gas readings and oil shows over the majority of this interval. Prior to logging, the decision was made to continue drilling in order to test a deeper volcanic objective on the down dip flank of a large structural closure. At 1,085

meters TVD, the top of an approximately 100 meter thick volcanic was penetrated and drilled to a depth of 1,196 meters TVD where total drilling fluid losses and strong oil shows were encountered. Testing recovered only water. Subsequent interpretation of the data provided by this well indicates a large area up dip that will be tested in a future side track from the existing well bore.

#### **NSE-D2ST2 appraisal well (60-per-cent working interest and operator)**

The NSE-D2ST2 sidetrack well is currently on production at a rate of approximately 143 bopd with electrical submersible pump installation (ESP) unsuccessful in boosting production due to the high gas cut in this well.

#### **L44-R2 appraisal well (60-per-cent working interest and operator)**

L44-R2 was drilled approximately 700 meters north of the L44-R discovery. Testing of the main volcanic reservoir objective resulted in no recovery as the zone was tight. Pan Orient is currently investigating the application of fracture stimulating this reservoir as a means of upgrading the 6.4 million barrels (100%) of mid case contingent resources, as evaluated by Gaffney Cline & Associates, into reserves.

#### **NSE-H1 appraisal well (60-per-cent working interest and operator)**

The NSE-H1 well, located in the north east portion of the NSE central fault compartment, is currently on production at a rate of 630 bopd with a water cut of approximately 7% and decreasing as the well continues to clean up after extensive drilling fluid losses.

#### **NSE-H2 appraisal well (60-per-cent working interest and operator)**

The NSE-H2 well is about to set casing after encountering the main volcanic objective in the northern portion of the NSE central fault compartment, approximately 350 meters northeast of the NSE-H1 well location. Drilling fluid losses of 300 bbls/hr were encountered while drilling the target volcanic zone and oil was observed in the drilling mud. It is anticipated the well will be tested within the next 7-10 days and the rig skidded over on the pad to drill NSE-H3 with a subsurface target 704 meters southwest of the NSE-H2 subsurface target location.

### **Summary**

Production is currently averaging approximately 9,000 bopd gross (5,400 bopd net to Pan Orient) after peaking at over 14,000 bopd gross (8,400 bopd net) at year end as a result of natural declines off of initial test rates and a number of wells now on pump after initially free flowing. Total concession production water cut is currently averaging approximately 15%.

Recent activity has been focused on the evaluation of the exploration potential of the L44 concession with the vast majority of the wells drilled in the past 3 months targeting new reserves as opposed to continued NSE field development. This drilling campaign resulted in a new field discovery at NSE-E1 with 2.843 MM gross barrels (1.7 MM barrels net) of recoverable 2P reserves (100%), the NSE-F1 discovery of currently unknown size, the recovery of 15 barrels of

oil from a new volcanic zone below the proven NSE central main volcanic reservoir at NSE-E2 and the encouraging preliminary results from the L44-W high impact exploration well that is about to be testing within the next 10 to 14 days. In addition, the potential of another deeper play has been defined with the results of NSE-G1, which will be side tracked to evaluate the 100 meter thick volcanic that was encountered below the main reservoir, in a higher structural position.

Pan Orient currently has a total inventory of 17 development locations on the NSE south and central structures that we estimate will be capable of 500 bopd per well, after initial declines. We are currently building two locations to evaluate the NSE north fault compartment discovery made 2 years ago. Subsequent to the first two wells drilled on this structure, L44G-D1 and L44-G, a 3D seismic survey was acquired over the area better defining this stratigraphic and structurally complex area.

Looking ahead, our development drilling program will be more active than in the past 3 months in order to build production up to a stable plateau targeting between 12,000 to 15,000 bopd gross (7,200 to 9,000 bopd net). These targets will be reviewed in the event of any exploration drilling success.

Exploration drilling, in addition to that described earlier, will be targeting high impact prospects at Bo Rang, and Si Thep deep. The first wells in the 100% working interest concession L53/48, are planned for July 2009, subject to the timing of environmental approval of EIA applications that were made in early March.

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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