



PAN ORIENT ENERGY CORP.

Press Release

WBEXT-1A WELL - NEW DEEP POOL DISCOVERY TESTS AT 5,300 BOPD

September 7, 2010

THAILAND OPERATIONS UPDATE

Concession L44 (POE 60% Working Interest and Operator)

WBEXT-1A Exploration / Appraisal Well (Wichian Buri Extension Field)

The WBEXT-1A well free flowed oil from a new lower volcanic reservoir at an average rate of 5,300 barrels of oil per day gross (3,180 BOPD net POE) of 36 degree API crude, with no water and a stable, final flowing bottom hole pressure of 1,425 psia in the last 48 hours of a 62 hour test. The high flowing bottom hole pressure at these high production rates is very encouraging. This is the highest oil flow rate of any well ever drilled onshore Thailand.

WBEXT-1A is currently shut-in due to limited tank storage capacity and will be brought back on production at approximately 5,000 BOPD gross (3,000 BOPD net POE) upon the approval for a 90 day production test by the Thailand Department of Mineral Fuels, anticipated this week. While the 90 day production test is underway, additional appraisal wells will be drilled and a production license application for the WBEXT Field will be submitted to the Thailand Department of Mineral Fuels in September. Historically, the approval of production license applications takes approximately 90 days from application submission to approval.

The WBEXT-1A exploration / appraisal well was drilled from the same well pad as the WBEXT-1 exploration well which discovered oil an upper volcanic reservoir. While drilling the WBEXT-1A well, there were 100 meters of oil shows and elevated mud gas readings while drilling through this upper volcanic reservoir discovered with the WBEXT-1 well (WBV1 volcanic reservoir), but drilling fluid losses were not encountered. As a result, high flow rates from the upper volcanic reservoir were not certain at this location and the decision was made to continue drilling to a deeper volcanic target (WBV2 volcanic reservoir) identified on 3D seismic data. This lower volcanic zone is approximately 200 meters deeper than the upper volcanic target and was first targeted unsuccessfully back in January 2007 by the WB-1DEEP exploration well located 5.2 kilometers south of the WBEXT-1A subsurface location. The WBV2 volcanic reservoir was intersected at a depth of 1,023 meters true vertical depth (TVD), 500 meters structurally higher than in the prior WB-1DEEP well. Oil shows and highly elevated mud gas readings were observed while drilling the shale section above the WBV2 volcanic reservoir target and drilling fluid losses totaling approximately 858 barrels were observed while drilling the upper six meters of the target zone, indicating excellent permeability.

The WBV1 and WBV2 volcanic reservoirs discovered by the WBEXT-1 and WBEXT-1A wells in Concession L44 are located in a highly faulted complex of possibly separate compartments that include the compartments proven oil bearing in Concession L33 with the L33-1 and L33-2 exploration wells. This structural complex is located within a large, regional structural high at the northern end of the Wichian Buri sub-basin, a location that is the natural focal point for the migration of hydrocarbons generated to the south. The complex is a maximum of 30 square kilometers in areal extent at the WBV1 volcanic reservoir level and slightly smaller at the WBV2 volcanic reservoir level. There are nine separate fault compartments at the WBV1 volcanic reservoir level, three of which have been successfully tested by the L33-1, L33-2 and WBEXT-1 exploration wells. There are four separate fault compartments at the WBV2 volcanic reservoir level, one of which has now been tested successfully by the WBEXT-1A well. A deeper, third potential volcanic reservoir (WBV3) has been identified on 3D seismic and will be the primary objective of a future well to be drilled prior to year end.

At this time, Pan Orient does not know: 1) the thickness distribution of the WBV1 and WBV2 volcanic reservoirs, 2) if all the fault compartments are hydrocarbon charged at one or all levels, or 3) the depth of the oil / water contacts in each compartment. We do know that the WBV1 and WBV2 volcanic reservoirs

are separate pools based on inferred oil / water contacts from offsetting well information, and that the drilling success rate of the last four wells targeting this structural complex is a remarkable, at this early stage of development/appraisal, 100%.

All the unknowns result in a considerable range of potential crude oil reserve estimates for the discoveries and the focus of further drilling will be to obtain as much information as possible to better define the size of these discoveries going into year-end 2010. At least eight additional appraisal wells will be required to determine the full extent of the accumulations.

WBEXT-1B Exploration / Appraisal Well (Wichian Buri Extension Field)

The WBEXT-1B well is currently drilling from a surface pad adjacent to the previous two WBEXT wells with the objectives of: a) logging the shallow sandstone zones, and b) establishing a minimum oil column in the WBV1 volcanic reservoir.

The WBEXT-1B well completed logging and the setting of intermediate casing to a TVD depth of 647 meters. Four potential sandstone reservoirs were encountered between 400 meters to 600 meters TVD, exhibiting oil shows and elevated mud gas readings while drilling. Wire line logs were obtained to the upper 12 meters of the 32 meter thick deepest sand (the F sand) before logging was terminated due to a down-hole obstruction resulting in log coverage of only the upper 1/3 of the F sand. Logging indicated potentially oil bearing net sand of approximately 12.3 meters measured thickness (8.8 meters true vertical thickness) with an average of 23% porosity. It is premature at this time to estimate any potential hydrocarbon volume or flow rates from these potential sandstone reservoirs, but testing of these intervals is planned to take place in this well or an offsetting well prior to year end in order to confirm potential reserves.

The well is currently logging at 891 meters TVD after tagging the uppermost 1 meter of the primary WBV1 volcanic objective that came in 22 meters high to prognosis and 100.6 meters lower than the top of the WBV1 volcanic at the WBEXT-1 discovery well. Drilling fluid losses of 50 barrels per hour, indicating excellent permeability, were observed after encountering the top of the volcanic target and oil shows were observed over a 30 meter interval while drilling through fractured shale overlying the target.

Upon the completion of logging, casing will be set and the well is planned to continue drilling through the entire WBV1 volcanic zone in order to determine the thickness of this reservoir for reserves and future development planning purposes. Drilling is anticipated to be completed in the next three to four days at which time the well will be tested and results announced shortly thereafter.

WBEXT-1 Exploration Well (Wichian Buri Extension Field) Production Update

WBEXT-1, the WBV1 reservoir discovery well, is currently producing at a rate of 3,579 BOPD gross (2,147 BOPD net POE) with no water and a flowing bottom hole pressure (FBHP) of 1,220 psia, with the high FBHP indicating the reservoir is over pressured. Production performance was, and continues to be exceptional.

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.

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