

18 June 2008

Sound Oil plc

Citarum PSC – change of participating interests

Sound Oil plc, which holds a 20% participating interest in the Citarum Production Sharing Contract (“PSC”), West Java, through its subsidiary Mitra Energia Citarum Ltd, notes the announcement by Pan Orient Energy Corp. (“Pan Orient”) that it has purchased through a series of transactions a 69% interest in the PSC from Ranhill Berhad and its related group of companies for a total consideration of US\$7 million in cash (see note below) and US\$4 million in Pan Orient common stock. The purchaser will also carry the costs of the 11% interest owned by the third participant in the PSC.

Gerry Orbell, Sound Oil's Chairman said: “This is a satisfactory conclusion to a period of inactivity caused by the non-payment of cash calls by our previous partners in the Citarum PSC which resulted in their default. The Operator now has access to the financial resources to move the PSC forwards and has indicated that it wishes to pursue the work programme as quickly as we do. We look forward to working constructively with Pan Orient and anticipate that work on the previously approved US\$7 million seismic programme will start shortly and that the Operator will bring forward plans to drill stem test the cavernous zone in the suspended Pasundan well.”

The Citarum PSC is an exploration area of over 4000 sq km, situated to the south and east of Jakarta, Java. The Pasundan 1 well was drilled between 9th May and 27th September 2007.

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Note: Pan Orient's announcement referred to the cash consideration being US\$7 million; Sound Oil has subsequently been advised by Pan Orient that the cash consideration was US\$7.5 million.