PAN ORIENT ENERGY CORP.

Press Release

2012 Year End Financial & Operating Results

CALGARY, March 28, 2013

Pan Orient Energy Corp. ("Pan Orient") (POE – TSXV) reports 2012 year-end and fourth quarter consolidated financial and operating results. *Please note that all amounts are in Canadian dollars unless otherwise stated and BOPD refers to barrels of oil per day net to Pan Orient.*

The Corporation is today filing its audited consolidated financial statements as at and for the year ended December 31, 2012 and related management's discussion and analysis with Canadian securities regulatory authorities. Copies of these documents may be obtained online at www.sedar.com or the Corporation's website, www.panorient.ca.

2012 RESULTS

- On June 15, 2012 Pan Orient completed the sale of Pan Orient's 60% interests in Thailand Concessions L44, L33 and SW1 for proceeds, net of estimated costs and income tax, of $159.3 million. The Company recorded an after tax gain of $79.7 million for this Thailand disposition transaction. As at December 31, 2012 there was $3.0 million held in escrow to support any warranty claims until December 15, 2013.

- On September 6, 2012 Pan Orient paid shareholders a special distribution of $42.5 million ($0.75 per share) associated with the June 15, 2012 sale of Thailand subsidiaries. The special distribution represented a return of capital to shareholders and additional tax information related to the special distribution is available on the Pan Orient website.

- Total corporate funds flow from operations in 2012 of $34.8 million ($0.61 per share), net proceeds from the Thailand disposition of $159.3 million ($2.81 per share) and net income attributable to common shareholders of $86.6 million ($1.53 per share). This compares with corporate funds flow from operations in 2011 of $45.9 million ($0.83 per share), and net income attributable to common shareholders of $24.0 million ($0.43 per share).

- Thailand oil sales in 2012 averaged 1,430 BOPD with 937 BOPD from Concession L53 and oil sales from Concessions L44, L33 and SW1 until their sale June 15, 2012 contributed 493 BOPD in average oil sales for 2012. Funds flow from operations in Thailand for 2012 were $38.7 million, or $73.97 per barrel.

- After the sale of the majority of Pan Orient's Thailand interests in June 2012 Pan Orient retained its operated 100% interest in Concession L53 in onshore Thailand which has oil production from conventional sandstone reservoirs and exploration acreage. In early 2013 the exploration period for Concession L53 was renewed until January 2016 with a relinquishment of 25% of Concession lands and new commitments including a 3D seismic survey and three exploration wells with a stated commitment of US$2.6 million.

  Average oil sales in 2012 for Concession L53 from the L53-A and L53-D fields of 937 BOPD contributed funds flow from operations after tax of $27.6 million (or $80.55 per barrel). Oil sales from Concession L53 were 1,029 BOPD in the fourth quarter of 2012. Oil sales averaged 824 BOPD in the first two months of 2013 due to downtime associated with workovers and declining oil production rates from the deeper "C" sandstone zones at the L53-DST3 well.

  Capital expenditures in 2012 for Concession L53 of $26.9 million included $12.3 million for drilling (the L53-G and L53-DST3 wells drilled in 2012 and the L53-D2 well which spudded in mid-December 2011), $4.9 million of equipment inventory, $4.6 million for workovers and water disposal facilities, $3.5 million for the 100 square kilometer 3D seismic program northeast of the previous 3D seismic coverage and $1.6 million in costs associated with the 2013 drilling program.

- In November 2012, the Company entered into an agreement for a farm-in at Thailand on-shore Concession L45/50 ("L45"), which is immediately west of Concession L53, whereby the Company will become the operator and will earn up to a 60% interest by the acquisition of a minimum of 50 square kilometers of 3D seismic data late in first quarter of 2013 following by the drilling of up to two exploration wells.

- Pan Orient conducted active exploration programs in Indonesia during 2012 with capital expenditures of $40.0 million relating to the Citarum, Batu Gajah, South CPP and East Jabung Production Sharing Contract (“PSC”) areas.

- Capital expenditures of $35.9 million at the Citarum PSC were primarily focused on exploration drilling with $4.7 million for the Cataka-1 well, $18.8 million for the Jatayu-1 well, $4.9 million for the Geulis-1 well, $5.0 million for the Cataka-1A well, and $2.5 million for capitalized exploration overhead and other costs. Difficult drilling was experienced in 2012 in the complex fold belt environment of the Citarum PSC.

    - The Cataka-1 exploration well commenced drilling on December 31, 2011 and was junked and abandoned due to severe drilling difficulties. The Cataka prospect is being re-drilled with the Cataka-1A well.

    - The Jatayu-1 exploration well commenced drilling in March 2012 and was suspended in September due to drilling difficulties. Drilling recommenced in December utilizing slim hole drilling equipment. A severe overpressure gas zone encountered created an unacceptable level of well control risk and formation water present in gas zone suggested no commercial potential resulting in the well being abandoned.

    - The Geulis-1 exploration well was drilled from early October to early November and the results indicated that the Geulis prospect is not deemed commercially viable on a stand-alone basis but may be commercially viable as part of a larger development should exploration success be achieved at the Cataka or Jatayu prospects. The well has been abandoned.

    - The Cataka-1A well spudded in early December and the well was drilled and cased to a depth of 1,692 feet before the well was suspended in January 2013 due to numerous issues encountered relative to the operation of the drilling rig. The Chief Operating Officer, based in Jakarta, Indonesia, who joined Pan Orient in January 2013, has implemented a number of initiatives with regard to drilling personnel, equipment, contractors and well design for the re-entry of the Cataka-1A well to recommence drilling by early June.

- The Company entered into two agreements in October 2012 to adjust Indonesia PSC ownership interests in conjunction with drilling operations. The Company purchased an additional 20% participating interest in the Citarum PSC in consideration for assuming the partner’s work program obligations effective July 2012 plus contingent future payments upon the delivery of petroleum from a commercial development of hydrocarbons from discoveries made within the Citarum PSC. The Company also completed the access agreements with the surface rights holder of lands covering a large portion of the Batu Gajah and South CPP PSCs. In consideration for unlimited access to an extensive road network and surface lands covering the Batu Gajah and South CPP PSCs through the entire exploration, development and production period, the Company will hold in trust a 20% carried interest in both the Batu Gajah and South CPP PSC’s for the surface rights holder and will continue to pay certain access fees as mandated by the various Government of Indonesia bodies. All costs incurred by the Company in relation to the 20% carried interest will be preferentially recovered from the future cost recovery on any potential future discovery that is brought on stream.

- In August 2012 Pan Orient increased its ownership of Andora Energy Corporation ("Andora") to 71.8% through providing funding of $24.7 million to Andora pursuant to a rights offering by Andora. Proceeds will be used for the procurement and construction of a thermal facility, drilling of one horizontal well pair, and operations in respect of its Sawn Lake Steam Assisted Gravity Drainage (“SAGD”) development project at an estimated cost of $23.5 million. In addition, Andora acquired a private company in July 2012 which provides Andora with proprietary thermal facility design / process capabilities and expands the Andora team with thermal facility design and operating specialists. The cash balances, capital expenditures and operations of Andora are reported as part of Pan Orient.

- Working capital and non-current deposits at December 31, 2012 of $116.4 million, with no long-term debt and $10.3 million of equipment inventory to be utilized for future Thailand and Indonesia operations. Pan Orient will maintain financial strength while at the same time conducting active seismic and drilling programs in Thailand and Indonesia, and with $23.5 million of capital expenditures through Andora for advancement of the SAGD pilot program at Sawn Lake in Alberta.

- Pan Orient continued to strengthen the organization during 2012. In September 2012 Mr. Jeff Chisholm, President and CEO of the Corporation, relocated to Bangkok, Thailand to be closer to Pan Orient's key Asian operations and business development activities. In November 2012 Mr. Gerry Macey, a director of Pan Orient since 2005, was appointed Chairman of the Corporation, and in January 2013 Mr. Edward Bush joined Pan Orient as Chief Operating Officer and is based in Jakarta, Indonesia.

2012 FOURTH QUARTER OPERATING RESULTS

- Total corporate funds flow from operations was $5.8 million in the fourth quarter of 2012 compared with $7.1 million in the fourth quarter of 2011. The increase from $3.3 million reported in the third quarter of 2012 is due to a 22% increase in oil sales at Concession L53 in Thailand and from a foreign exchange gain of $0.2 million in the fourth quarter of 2012 compared with a $1.8 million loss in the third quarter of 2012.

- Net income attributable to common shareholders was $0.9 million in the fourth quarter compared with a loss of $1.6 million in the third quarter of 2012 and a gain of $11.6 million in the fourth quarter of 2011. In the fourth quarter of 2012 the Company recorded a $2.5 million charge for deferred income tax expense compared with the $10.3 million reduction in deferred income tax expense reported for the fourth quarter of 2011.

- Capital expenditures were $20.5 million in the fourth quarter of 2012 with $6.7 million in Thailand, $13.5 million in Indonesia and $0.3 million in Canada. The capital expenditures in Canada were for initial costs by Andora associated with the demonstration project. Capital expenditures in Thailand were principally funded by Thailand funds flow from operations and the capital programs in Indonesia and Canada were funded from working capital.

- **Thailand**

  - In the fourth quarter of 2012 Concession L53 averaged oil sales of 1,029 BOPD and generated $6.3 million in after tax funds flow from operations, or $66.66 per barrel. On a per barrel basis, this represents oil sales of $97.21, transportation expenses of $1.43, operating expenses of $18.49, general and administrative expenses of $6.07 and amounts to the Thailand government of $4.78. Oil sales during this period were allocated 27% to expenses for transportation, operating, and general & administrative, 5% to the government of Thailand for royalties, and 68% to Pan Orient. The high operating expenses in the fourth quarter of 2012 resulted from the non-recurring disposal of produced water at cement plants which had built up prior to Pan Orient installing its own water disposal facilities, and represented a cost of $11.06 per barrel of oil in the quarter.

  - Capital expenditures in Thailand were $6.7 million in the fourth quarter of 2012 for equipment inventory, workovers and site preparation for the 2013 drilling program.

- **Indonesia**

  - The $13.5 million of capital expenditures in Indonesia during the quarter were $10.9 million for the Citarum PSC with drilling costs of the Jatayu-1 and Geulis-1 wells and site preparation for the Cataka-1A well, $1.3 million for the Batu Gajah PSC with costs associated with the 2013 drilling program, $1.1 million at the South CPP PSC with costs associated with the 2013 seismic program, and $0.2 million at the East Jabung PSC.

OUTLOOK

- **Corporate**

  In November 2012 the Board of Directors of Pan Orient approved a total capital program of $96.7 million for Indonesia, Thailand and Canada for the 13 month period of December 1, 2012 to December 31, 2013. This included $19.0 million in Thailand for the drilling of five development / exploration wells plus 260 square kilometers of 3D seismic, and $54.2 million in Indonesia for five exploration / appraisal wells at the Citarum and Batu Gajah PSC's plus 4,000 square kilometers of 3D seismic and 657 kilometers of 2D seismic at the Batu Gajah, South CPP and East Jabung PSC's. A further $23.5 million of capital expenditures was expected by Pan Orient, through capital expenditures of Andora, for advancement of the SAGD pilot program. Andora is a subsidiary of Pan Orient and as such, the financial statements of Pan Orient at December 31, 2012 include the $24.0 million of cash held in Andora, and capital expenditures of Andora for the SAGD pilot program will be reported as capital expenditures in the financial statements of Pan Orient as they are incurred.

  In light of recent drilling results and updated actual work program cost, the Indonesian budget has been reduced by approximately $5 million dollars related to a deferral of the Kemala-1 exploration well at the Batu Gajah PSC into 2014. The capital budget associated with the drilling of Kemala-1 has now been reallocated to three additional wells in Thailand Concession L53 (to a total drilling program of eight wells) at an estimated cost of approximately $5.7 million.

  With this reallocation of the capital budget, the 2013 capital budget, after adjusting for capital expenditures incurred in the fourth quarter of 2012, is $79.4 million with $18.5 million for Thailand, $37.7 million for Indonesia and $23.2 million for the SAGD demonstration project of Andora.

- **Indonesia**

The Indonesian 2013 revised capital budget of $ 37.7 million includes completion of the Shinta-1 exploration well and the Buana-1 appraisal well in the Batu Gajah PSC. As previously announced, the Shinta-1 well encountered sub-commercial oil in the primary Lower Talangakar sandstone target.

The Buana-1 well, the second well in the program, is an updip appraisal of the North Tuba Obi-1 gas discovery drilled in 2011, and has just been drilled to a total depth of 3,396 feet and logged. Excellent quality reservoir sands approximately 30 meters in thickness were encountered in the Lower Talangakar sandstone primary objective, however open hole wire line logs and pressure data indicated the sands to be water bearing. These results suggest the Buana-1 (previously referred to as North Tuba Obi-2) and the North Tuba Obi-1 ("NTO-1") fault compartments are not in communication, meaning the gas accumulation encountered in the NTO-1 well in 2011 is limited and sub-commercial. The Buana-1 well is currently drilling towards a total depth of approximately 3,800 feet, which is the depth of the commitment to the Indonesian oil and gas regulator and is within the secondary basement reservoir objective. The total cost for the Batu Gajah two well drilling program is approximately $7.7 million.

In light of recent drilling results in the western portion of Batu Gajah PSC, the decision has been made to defer the drilling of Kemala-1, a third well initially planned for 2013, until 2014 when the acquisition and interpretation of the recently commenced 400 square kilometer 3D seismic program has been completed.

The 430 kilometers of 2D seismic at East Jabung is expected to commence by May 2013 and the 227 kilometer 2D seismic program at South CPP is near completion. In late 2013, Pan Orient is expected to have all of the 2D seismic data acquired in South CPP and East Jabung and the 3D in Batu Gajah interpreted and will be in position to choose the best targets for a 2014 drilling campaign from an array of prospects located over a large, highly prospective region on the basis of recently acquired, high quality seismic data.

The Citarum drilling program will recommence in May 2013 with drilling of the remaining section down to target at Cataka-1A. The rig contract for the recommencement of drilling of the Cataka-1A well has been signed with an experienced Indonesian drilling contractor.

- **Thailand**

The capital budget previously allocated to the Kemala-1 well at the Batu Gajah PSC in Indonesia will be redeployed to Thailand with the drilling program expanded to a firm eight well program, up from the original five firm and two contingent wells initially planned. The 2013 Thailand revised capital budget of $18.5 million includes the drilling of eight wells in Concession L53 in addition to approximately 240 square kilometers of 3D seismic data.

<u>Production</u>

Thailand oil production exited 2012 at approximately 1,500 BOPD but has averaged 824 BOPD in the first two months of 2013 mainly due to downtime associated with workovers, the inability to conduct simultaneous operations on pads while a well is drilling and declining oil production rates from the deeper “C” sandstone zones at the L53-DST3 well (no reserves had been attributed to the "C" sands in the recent December 31, 2012 reserve report as they were considered depleted). Current production is approximately 1,000 BOPD and the L53-A4ST1 exploration well is expected to commence testing shortly. Updated guidance for 2013 oil production will be provided at the completion of the drilling of the two remaining exploration wells at L53-G2 and L53-F and the appraisal well at L53-DC3. Success at any of these three remaining wells will likely result in the drilling of a number of additional appraisal / development wells from available well cellars. The L53-A Central and L53-A West prospects that were identified on the recently acquired L53 3D seismic survey will not likely be drilled until late 2013 or early 2014 due to delays in the environmental permitting process. The 2014 drilling program will also include additional wells that will be targeting prospects defined by the L53 and L45 3D seismic surveys currently being acquired.

<u>Drilling</u>

The L53-DC1 well, announced earlier as a new fault compartment discovery, is currently producing at approximately 147 BOPD of heavy 16 degree API crude and with a water cut of 30% from the “A2” lower sand.

The L53-DC2 well, a successful appraisal of the new fault compartment discovered by L53-DC1, is currently producing at 267 BOPD with a water cut of 0.8% from the “A3” sand. Both of the DC wells possess three to four additional uphole, oil bearing sands that will be put on production at a future date as existing zones water out.

The L53-A4 well, targeting the L53-H prospect, was unsuccessful as was the L53-DB1 well targeting the L53-D West prospect. The L53-DB1 well has been converted to a water disposal well and L53-A4 well was sidetracked (L53-A4ST1 well) to test a small independent structural closure south east of the L53-A field and encountered approximately seven meters of interpreted net oil pay in the “K40-A” sand. This well is expected to start testing soon.

The L53-G2 well is currently drilling ahead at a depth of approximately 550 meters and is targeting the L53-G prospect that was originally tested by the L53-G well in early 2012. The original L53-G well tested approximately 25 BOPD from the "K40-A" sandstone zone before being shut in. Subsequent reprocessing of the 3D seismic data in this area indicates the well penetrated a large fault immediately below the oil pay in the "K40-A" sand and missed the remainder of the "K40-A" sand and the "K40-B", "C" and "D" sands that were located in structural closure.

Upon completion of drilling at L53-G, the rig will move to either the L53-F exploration prospect located south of the L53-D East field or the L53-DC3 location which is an appraisal of the largest, structurally highest fault compartment in the L53-D East field. This compartment was originally tested by the L53-D discovery well drilled in 2009 that encountered approximately eight meters of oil pay in the "A7" sand. The six sands above the "A7" which are the primary reservoirs in the adjacent down thrown fault compartments penetrated by the L53-D2ST3, L53-DC1 and L53-DC2 wells were faulted out in the original L53-D well and will be targeted by the upcoming L53-DC3 well.

- **Canada - Sawn Lake (Operated by Andora, in which Pan Orient has a 71.8% ownership)**

  Activities are currently underway at the Sawn Lake SAGD demonstration project for drilling of the SAGD well pair in the third quarter and start-up of steam operations in the fourth quarter of 2013.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Pan Orient Energy Corp.

Jeff Chisholm, President and CEO (located in Bangkok, Thailand)
Email: jeff@panorient.ca

- or -

Bill Ostlund, Vice President Finance and CFO
Telephone: (403) 294-1770

Financial & Operating Summary	Three Months Ended December 31,		Twelve Months Ended December 31,		
(thousands of Canadian dollars except where indicated)	**2012**	2011	**2012**	2011	Change
FINANCIAL					
Oil revenue, before royalties and transportation expense	**9,198**	17,523	**55,162**	72,576	-24%
Funds flow from operations (Note 1)	**5,837**	7,061	**34,819**	45,870	-24%
Per share – basic and diluted	**$ 0.10**	$ 0.12	**$ 0.61**	$ 0.83	-26%
Funds flow from operations by region (Note 1)					
Canada	**(324)**	(301)	**(3,334)**	(686)	386%
Thailand	**6,308**	7,708	**38,705**	47,184	-18%
Indonesia	**(147)**	(346)	**(552)**	(628)	-12%
Total	**5,837**	7,061	**34,819**	45,870	-24%
Funds flow – Thailand disposition net proceeds (Note 2)	**785**	-	**159,290**	-	
Net income attributed to common shareholders	**859**	11,573	**86,642**	23,991	261%
Per share – basic and diluted	**$ 0.02**	$ 0.21	**$ 1.53**	$ 0.43	253%
Working capital	**114,210**	48,651	**114,210**	48,651	135%
Working capital and non-current deposits	**116,376**	51,632	**116,376**	51,632	125%
Long-term debt	**-**	-	**-**	-	
Petroleum and natural gas properties					
Capital expenditures (Note 3)	**20,539**	13,065	**78,011**	70,896	10%
Dispositions	**-**	(308)	**-**	(308)	
Acquisitions – Indonesia (Note 4)	**5,729**	-	**5,729**	1,761	
Acquisitions – Sawn Lake, Canada (Note 7)	**-**	(3,192)	**-**	-	
Shares outstanding (thousands)	**56,720**	56,685	**56,720**	56,685	0%
Funds Flow from Operations per Barrel (Note 1)					
Canada operations	**$ (3.42)**	$(1.79)	**$ (6.37)**	$ (0.93)	588%
Thailand operations	**66.66**	45.87	**73.97**	63.69	16%
Indonesia operations	**(1.55)**	(2.06)	**(1.05)**	(0.85)	24%
Total	**$ 61.69**	$ 42.02	**$ 66.54**	$ 61.90	7%
Capital Expenditures (Note 3)					
Canada	**316**	142	**575**	378	52%
Thailand	**6,677**	10,230	**37,407**	48,299	-23%
Indonesia	**13,546**	2,693	**40,029**	22,219	80%
Total	**20,539**	13,065	**78,011**	70,896	10%
Working Capital and Non-current Deposits					
Working capital and non-current deposits – beginning of period	**134,061**	58,016	**51,632**	31,396	64%
Funds flow from operations (Note 1)	**5,837**	7,061	**34,819**	45,870	-24%
Thailand disposition net proceeds (Note 2)	**785**	-	**159,290**	-	
Thailand disposition – sale of working capital (Note 2)	**-**	-	**(4,591)**		
Capital expenditures (Note 3)	**(20,539)**	(13,065)	**(78,011)**	(70,896)	10%
Special dividend	**-**	-	**(42,540)**	-	
Acquisitions – Indonesia (Note 5)	**(3,552)**	-	**(3,552)**	(1,417)	
Foreign exchange impact on working capital	**(335)**	(380)	**(790)**	(937)	-16%
Net proceeds on share transactions	**119**	-	**119**	47,616	-100%
Working capital and non-current deposits – end of period	**116,376**	51,632	**116,376**	51,632	125%
Canada Operations (excluding Thailand disposition)					
Interest income	**349**	93	**845**	362	134%
General and administrative expense (Note 6)	**(832)**	(347)	**(2,766)**	(810)	241%
Realized foreign exchange gain (loss)	**159**	(47)	**(1,413)**	(238)	495%
Funds flow from operations (Note 1)	**(324)**	(301)	**(3,334)**	(686)	386%
Funds flow from operations per barrel					
Interest income	**$ 3.69**	$ 0.55	**$ 1.61**	$ 0.49	231%
General and administrative expense (Note 6)	**(8.79)**	(2.07)	**(5.29)**	(1.09)	383%
Realized foreign exchange gain (loss)	**1.68**	(0.28)	**(2.70)**	(0.32)	742%
	$ (3.42)	$ (1.79)	**$ (6.37)**	$ (0.93)	588%
Indonesia Operations					
General and administrative expense (Note 6)	**(147)**	(163)	**(552)**	(445)	24%
Foreign new ventures expenditures	**-**	(183)	**-**	(183)	-100%
	(147)	(346)	**(552)**	(628)	-12%
Wells drilled					
Gross	**2**	1	**3**	3	0%
Net	**1.6**	0.8	**2.4**	2.8	-14%

(thousands of Canadian dollars except where indicated)	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change
Thailand Operations (Note 2)					
Oil sales (bbls)	**94,624**	168,022	**523,259**	740,889	-29%
Average daily oil sales (BOPD) by Concession					
L44 (interests sold June 15, 2012)	**-**	1,162	**388**	1,282	-70%
SW1 (interests sold June 15, 2012)	**-**	200	**86**	156	-45%
L33 (interests sold June 15, 2012)	**-**	69	**19**	137	-86%
L53	**1,029**	396	**937**	454	106%
Total	**1,029**	1,826	**1,430**	2,030	-30%
Average oil sales price, before transportation (CDN$/bbl)	**$ 97.21**	$ 104.29	**$ 105.42**	$ 97.96	8%
Reference Price (volume weighted) and differential					
Crude oil (Brent $US/bbl)	**$ 110.07**	$ 109.29	**$ 114.07**	$ 111.35	2%
Exchange Rate $US/$Cdn	**1.01**	1.03	**1.01**	1.00	2%
Crude oil (Brent $Cdn/bbl)	**$ 110.80**	$ 112.30	**$ 115.57**	$ 110.99	4%
Sale price / Brent reference price	**88%**	93%	**91%**	88%	3.0%
Funds flow from operations (Note 1)					
Crude oil sales	**9,198**	17,523	**55,162**	72,576	-24%
Government royalty	**(452)**	(874)	**(2,734)**	(3,651)	-25%
Other royalty	**-**	(60)	**(49)**	(196)	-75%
Transportation expense	**(135)**	(409)	**(931)**	(1,683)	-45%
Operating expense	**(1,750)**	(2,900)	**(6,994)**	(9,748)	-28%
Field netback	**6,861**	13,280	**44,454**	57,298	-22%
General and administrative expense (Note 6)	**(574)**	(1,516)	**(2,405)**	(4,153)	-42%
Interest income	**21**	25	**64**	89	-28%
Special Remuneratory Benefit tax (SRB)	**-**	-	**-**	-	
Current income tax	**-**	(4,081)	**(3,408)**	(6,050)	-44%
Funds flow from operations	**6,308**	7,708	**38,705**	47,184	-18%
Funds flow from operations / barrel (CDN$/bbl) (Note 1)					
Crude oil sales	**$ 97.21**	$ 104.29	**$ 105.42**	$ 97.96	8%
Government royalty	**(4.78)**	(5.20)	**(5.22)**	(4.93)	6%
Other royalty	**-**	(0.36)	**(0.09)**	(0.26)	-65%
Transportation expense	**(1.43)**	(2.43)	**(1.78)**	(2.27)	-22%
Operating expense	**(18.49)**	(17.26)	**(13.37)**	(13.16)	2%
	72.51	79.04	**84.96**	77.34	10%
General and administrative expense (Note 6)	**(6.07)**	(9.02)	**(4.60)**	(5.61)	-18%
Interest income	**0.22**	0.15	**0.12**	0.12	1%
Special Remuneratory Benefit (SRB)	**-**	-	**-**	-	
Current income tax	**-**	(24.29)	**(6.51)**	(8.17)	-20%
Thailand – Funds flow from operations	**$ 66.66**	$ 45.87	**$ 73.97**	$ 63.69	16%
Government royalty as percentage of crude oil sales	**5%**	5%	**5%**	5%	0%
SRB as percentage of crude oil sales	**0%**	0%	**0%**	0%	0%
Income tax as percentage of crude oil sales	**0%**	23%	**6%**	8%	-2%
As percentage of crude oil sales					
Expenses – transportation, operating, G&A and other	**27%**	28%	**19 %**	22%	-3%
Government royalty, SRB and income tax	**5%**	28%	**11 %**	13%	-2%
Funds flow from operations, before interest income	**68%**	44%	**70%**	65%	5%
Wells drilled					
Gross	**-**	8	**7**	28	-75%
Net	**-**	5.2	**5.0**	19.2	-74%

(thousands of Canadian dollars except where indicated)	Year Ended December 31, **2012**	2011	Change
RESERVES AND CONTINGENT RESOURCES			
Onshore Thailand			
Reserves at December 31, 2012 assigned to Concession L53/48 where Pan Orient is the operator with a 100% interest.			
Reserves at December 31, 2011 assigned to Concessions L44/43, L33/43 and SW1 where Pan Orient was the operator with a 60% interest, and Concession L53/48 where Pan Orient was the operator with a 100% interest). Interests in Concessions L44/43, L33/43 and SW1 were sold June 15, 2012 (Note 2)	**(Note 8)**	(Note 9)	
Proved oil reserves (thousands of barrels)	**405**	5,993	-93%
Proved plus probable oil reserves (thousands of barrels)	**1,087**	18,998	-94%
Net present value of proved + probable reserves, after tax discounted at 10%	**41,494**	349,000	-88%
Per Pan Orient share – basic (Note 10)	**$ 0.73**	$ 6.15	-88%
Net present value of proved + probable reserves, after tax discounted at 15%	**40,060**	283,000	-86%
Per Pan Orient share – basic (Note 10)	**$ 0.71**	$ 4.99	-86%
Canada (Pan Orient's share of the oil sands leases of Andora at Sawn Lake, Alberta)	**(Note 11)**	(Note 12)	
Contingent Oil Resources – Best Estimate "2C" (thousands of barrels)	**154,000**	114,400	35%
Net Present value, before tax discounted at 10%	**351,000**	327,000	7%
Per Pan Orient share – basic (Note 10)	**$ 6.18**	$ 5.77	7%
Net present value, before tax discounted at 15%	**93,000**	103,000	-10%
Per Pan Orient share – basic (Note 10)	**$ 1.64**	$ 1.82	-10%

INTERNATIONAL INTERESTS AT DECEMBER 31, 2012

All amounts reflect Pan Orient's interest	Status	Net Square Kilometers	December 31, 2012 Financial Commitments (CDN thousands)		2012 Avg. Production (BOPD)	P+P Reserves (Mstb)
Onshore Thailand Concessions						
SW1A (60% working interest & operator) (Note 2)	Sold June 2012	-	-		86	-
L44/43 (60% working interest & operator) (Note 2)	Sold June 2012	-	-		388	-
L33/43 (60% working interest & operator) (Note 2)	Sold June 2012	-	-		19	-
L53/48 (100% working interest & operator) (Note 13)	Partially developed	1,959	2,643	to January 2016	937	1,087
L45/50 (farm-in with earning initial 20% for seismic program and the potential for an additional 40% through the drilling of two wells at the option of Pan Orient) (Note 14)	Undeveloped	398	2,988	to April 2014	-	-
		2,357	5,631		1,430	1,087
Onshore Indonesia PSC's						
Citarum PSC, West Java (97% working interest & operator) (Note 15)	Undeveloped	861	11,366	To October 2013		
Batu Gajah PSC, South Sumatra (77% working interest & operator) (Note 15 & 16)	Undeveloped	1,942	18,991	To January 2014		
CPP South PSC, Central Sumatra (77% working interest & operator) (Note 15)	Undeveloped	2,058	4,172	to November 2013		
Onshore & Offshore Indonesia PSC						
East Jabung PSC, South Sumatra (100% working interest & operator) (Note 15)	Undeveloped	6,228	9,838	to November 2014		
		11,089	44,367			
Consolidated Total		13,446	49,998			

(1) Funds flow from operations ("funds flow" before changes in non-cash working capital and reclamation costs) is used by management to analyze operating performance and leverage. Funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

(2) Thailand Concessions SW1, L44 and L33 were sold on June 15, 2012. Proceeds of $185.3 million less transaction costs of $11.3 million and estimated tax of $14.7 million results in proceeds net of expenses of $159.3 million. After deducting $79.6 million related to the carrying value of petroleum and equipment, exploration and evaluation costs, and working capital sold (including the elimination of the associated deferred tax liabilities, employee pension liabilities, and decommissioning provision). The net after tax gain on sale is $79.7 million. The 2012 financial statements and operating results include revenue, expenses and capital expenditures associated with these properties to June 14, 2012.

(3) Cost of capital expenditures, excluding any decommissioning provision and excluding the impact of changes in foreign exchange rates.

(4) Cost of acquisitions, <u>including</u> deemed value of equity issued in the 2011 transaction for acquisition of Indonesia's interests and the provision for the long term accrued liabilities of future payments contingent upon the delivery of petroleum from a commercial development of hydrocarbon from discoveries related to the 2012 acquisition.

(5) Cost of acquisitions, <u>excluding</u> deemed value of equity issued in the 2011 transaction for acquisition of Indonesia's interests and the provision for the long term accrued liabilities of future payments contingent upon the delivery of petroleum from a commercial development of hydrocarbon from discoveries related to the 2012 acquisition.

(6) General & administrative expenses, excluding non-cash accretion on decommissioning provision.

(7) The acquisition transaction by Andora was reversed in the fourth quarter of 2011 pursuant to the terms of the agreement.

(8) Thailand reserves as at December 31, 2012 as evaluated by Sproule International Limited of Calgary assessed at forecast crude oil reference prices and costs. The US$ reference price for crude oil per barrel (US$ UK Brent per barrel) in the evaluation is $106.42 for 2013, $101.65 for 2014, $97.56 for 2015, $105.07 for 2016, $106.65 for 2017, $108.25 for 2018 and prices increase at 1.5% per year thereafter. The engineered values disclosed may not represent fair market value.

(9) Thailand reserves as at December 31, 2011 as evaluated by Gaffney Cline & Associates (Consultants) Pte. Ltd. of Singapore assessed at forecast crude oil reference prices and costs. The reference price for crude oil per barrel (US$ Brent per barrel) in the evaluation is $105.61 for 2012, $101.36 for 2013, $97.23 for 2014, $97.41 for 2015, $101.42 for 2016, $103.37 for 2017 and prices increase at 2.0% per year thereafter. The engineered values disclosed may not represent fair market value.

(10) Per share values calculated based on 56,760,307 Pan Orient Shares outstanding at December 31, 2012 and 56,685,307 Pan Orient Shares outstanding at December 31, 2011.

(11) Pan Orient's 71.8% share as at December 31, 2012 of the resources of Andora, a private company as evaluated by Sproule Unconventional Limited assessed at forecast crude oil reference prices and costs. The reference price for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) is $69.33 for 2013, $74.57 for 2014, $73.21 for 2015, $80.17 for 2016, $81.37 for 2017, and prices for the reference price (WCS) increase at 1.5% per year thereafter. Future capital expenditures for Pan Orient's 71.8% share estimated at $1,673 million. The engineered values disclosed may not represent fair market value and there is no certainty that it will be commercially viable to produce any portion of the resources.

(12) Pan Orient's 53.4% share as at December 31, 2011 of the resources of Andora, a private company as evaluated by Sproule Unconventional Limited assessed at forecast crude oil reference prices and costs. The reference price for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) is $82.34 for 2012, $79.69 for 2013, $77.25 for 2014, $81.80 for 2015, $83.44 for 2016 and prices increasing at 2% thereafter. The engineered values disclosed may not represent fair market value and there is no certainty that it will be commercially viable to produce any portion of the resources.

(13) Concession L53/48 in Thailand consisted of 1,959 square kilometers of lands of which 14 square kilometers associated with the L53-A and L53-D fields are held through production licenses (with a 20 year primary term plus an additional 10 year renewal period that can be applied for) and 1,945 square kilometers of exploration lands. The original term of the exploration lands ended on January 7, 2013 and the Company has renewed the exploration period for a further three years to January 7, 2016. The renewal included a relinquishment of 25% of Concession lands and new commitments including a 3D seismic survey and three exploration wells with a stated commitment of US$2.6 million.

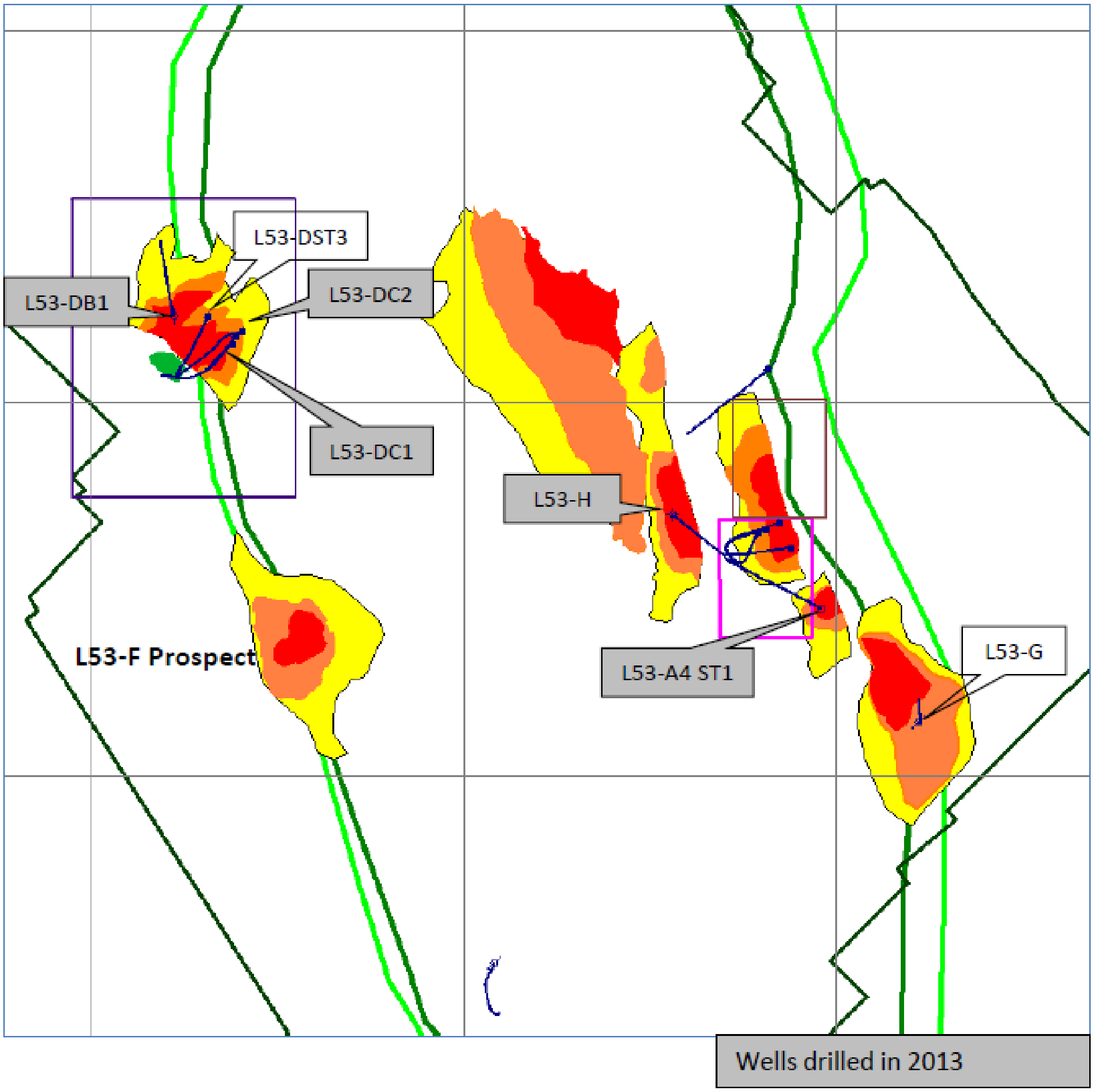
(14) Pan Orient has entered into a farm-in agreement whereby Pan Orient will become operator and is committed to earn an initial 20% interest in Concession L45/50 in Thailand through the completion of a minimum of 50 square kilometer 3D seismic program. Up to a further 40% interest in the Concession can be earned through the farm-in agreement with the drilling of up to two exploration wells at the election of Pan Orient by December 26, 2013. Based on the earning by Pan Orient of the initial 20% interest, Pan Orient has commitments to pay 100% of the cost of the seismic program plus an additional $310,000 for a 20% share of other commitments as set in the Concession Agreement for L45/50 with one well and geological studies. A 20% interest in Concession L45/50 represents 398 net square kilometers of exploration lands for which the original exploration term expires in April 2014, and at that time a renewal period of up to three years may be applied for.

(15) Share of commitments in Indonesia reflect amounts to be paid by Pan Orient, including carried interest partners (3% for Citarum, 23% Batu Gajah and 23% South CPP). Commitments for a Production Sharing Contract ("PSC") in Indonesia include the completion of a work program as well as the Company's estimated amount of the expenditure. Financial commitments as provided above represent the work program required under the initial 3-year firm commitment exploration period of the PSC. The work program commitment is based on the original contract and timing is subject to government approval. With respect to Citarum, Batu Gajah and South CPP PSC's, extension of this initial exploration period has been agreed to with the Government of Indonesia (GOI) to the dates indicated above. If Pan Orient exercises its options to continue beyond the initial exploration period, additional commitments will be determined on a year-by-year basis through submission of a work program and approval from the GOI. Although extension of the exploration period is a departure from the original contract, it is considered standard practice in Indonesia.

(16) For the Batu Gajah PSC, an additional 1,730 square kilometers is relinquished January 16, 2013.

(17) Tables may not add due to rounding.

Thailand – Concession L53 Drilling (to March 2013)



March 28, 2013

Pan Orient 2012 Thailand Drilling to December 31, 2012 (*based on date drilling commenced*)
Excluding interests in Concessions L44, L33 & SW1 sold in June 2012

	Well	Field		Oil Sales Net POE (BOPD) Q1	Q2	Q3	Q4
2012 Q1							
1	L53-G	L53 Exploration	Well located 2.7 kilometers southeast and on trend of L53-A field in a separate structural closure tested oil at a sub-commercial rates.	1	-	-	-
2	L53-D ST3	L53 Exploration	Producing oil and tested of a number of sandstone intervals.	436	274	178	262

Pan Orient 2012 Indonesia Drilling to December 31, 2012 (*based on date drilling commenced*)

	Well	PSC	
1	Jatayu-1 & sidetracks	Citarum Exploration	Commenced drilling in March 2012 and was suspended in September due to drilling difficulties. Drilling recommenced in December utilizing slim hole drilling equipment. Severe overpressure gas zone encountered creating unacceptable level of well control risk. Formation water present in gas zone suggesting no commercial potential. Well abandoned.
2	Geulis-1	Citarum Exploration	Commenced drilling October 2, 2012 and encountered natural gas that was not deemed to be commercially viable. Well abandoned.
3	Cataka-1A	Citarum Exploration	The redrill of Cataka prospect started December 7, 2012 and the well was drilled and cased to a depth of 1,692 feet before well suspended in January due to numerous issues encountered relative to the operation of the drilling rig. Drilling expected to recommence in May 2013 with new equipment, contractors and personnel.