



PAN ORIENT ENERGY CORP.

Press Release

\$0.75 PER SHARE SPECIAL DISTRIBUTION APPROVED

CALGARY, August 21, 2012

Pan Orient Energy Corp. ("Pan Orient" or the "Corporation") (POE – TSXV) is pleased to announce that it received shareholder approval for its previously announced capital reorganization and that the effective date for the reorganization and the record and payment dates for the resulting \$0.75 per common share special distribution to shareholders have now been set.

The distribution will be a return of capital as part of a capital reorganization, and is expected to be generally more tax advantageous to shareholders than a dividend. Shareholder approval was obtained at a meeting on August 20, 2012, with over 99.9% of votes cast being in favour of the required special resolution. Pan Orient's directors resolved at a meeting today to implement the reorganization effective September 6, 2012 and set the record date for the resulting \$0.75 per common share special distribution to shareholders as August 30, 2012 and the payment date as September 6, 2012. Pan Orient expects that its common shares will commence trading "ex-distribution" on August 28, 2012.

The aggregate amount of the distribution will be approximately \$42.5 million, will occur in the course of a reorganization of Pan Orient's business after the recently completed sale of a portion of its Thailand assets and be funded from the net proceeds of that sale. The remaining net proceeds, plus ongoing cash flow from Concession L53 in Thailand, are expected to be sufficient to fund the needs of Pan Orient's continuing business operations for the remainder of 2012 and through 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 press release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "plan", "intend", "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this press release includes, but is not limited to, tax consequences; record, payment and ex-distribution dates for the special distribution; cash resources; and anticipated expenditures. By its very nature, the forward-looking information contained in this press release requires Pan Orient and its management to make assumptions that may not materialize or that may not be accurate. In addition, the forward-looking information contained in this press release is subject to known and unknown risks and uncertainties and other factors, some of which are beyond the control of Pan Orient, which could cause actual results, expectations, achievements or performance to differ materially. Although Pan Orient believes that the expectations reflected in its forward-looking information are reasonable, it can give no assurances that those expectations will prove to be correct. Pan Orient undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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