



PAN ORIENT ENERGY CORP.

Press Release

PAN ORIENT ANNOUNCES 2012 YEAR-END HEAVY OIL RESOURCES FOR SAWN LAKE, ALBERTA PROJECT OF ANDORA ENERGY CORPORATION

CALGARY, March 26, 2013

Pan Orient Energy Corp. (POE – TSXV), on behalf of its 71.8% owned subsidiary Andora Energy Corporation (“Andora”), is pleased to release the December 31, 2012 National Instrument 51-101 compliant resource evaluation for Andora’s oil sands project at Sawn Lake Alberta, Canada, as evaluated by Sproule Unconventional Limited (“Sproule”). The evaluation included all of Andora’s Oil Sands Leases in Sawn Lake based on exploitation using Steam Assisted Gravity Drainage (SAGD).

Sawn Lake, Alberta Project 2012 Year-End Evaluation Summary and Highlights:

- The oil sands project at Sawn Lake Alberta as at December 31, 2012 was evaluated by Sproule. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. The contingent resource volumes estimated in the Sproule report are considered contingent until such time as commercial recovery has been demonstrated, regulatory approvals for commercial SAGD development have been obtained and the company has a firm commercial development plan and funding for the commercial development. Contingent Resources are further classified as “High”, “Best” and “Low” in accordance with the level of certainty.
- Sawn Lake “Best Case” contingent resources of 214 million barrels of bitumen attributed to Andora’s working interests, or 154 million barrels attributed to the 71.8% ownership interest of Pan Orient in Andora, have been assigned largely in the South and Central Blocks of Sawn Lake. Andora is the operator of these lands and holds a 100% working interest in the 16 sections of the South Block and holds a 50% working interest plus an additional 3% gross overriding royalty (“GORR”) on non-owned 40% working interest in the 12 sections of the Central Block.
- Net present value of the “Best Case” (discounted at 10% before income tax using forecast prices) attributed to Sawn Lake contingent resources for the working interests and the GORR interests is \$489 million for Andora and \$351 million to the 71.8% ownership interest of Pan Orient in Andora.
- Net present value of the “Best Case” (discounted at 10% after income tax using forecast prices) attributed to Sawn Lake contingent resources for the working interests and the GORR interests is \$312 million for Andora and \$224 million to the 71.8% ownership interest of Pan Orient in Andora.
- The December 31, 2012 contingent resource report by Sproule represents a mechanical update incorporating new forecasted prices for natural gas and crude oil, and revised estimates of operating expenses and capital expenditures. There is no change from the estimate of contingent resource volumes as at December 31, 2011 prepared by Sproule. The net present value of the “Best Case” (discounted at 10% before income tax using forecast prices) attributed to Sawn Lake contingent resources declined by 20% as a result of a 6% reduction in crude oil prices and a 10% increase in the estimated capital cost for drilling of wells, partially offset by a 10% reduction in natural gas prices and a movement in the location of the demonstration project.
- Andora has received Commercial Scheme Approval for a demonstration project at the Sawn Lake property in the Peace River Oil Sands Region under the Oil Sands Conservation Act from the Energy Resources Conservation Board (ERCB) and approval from the Government of Alberta under the Environmental Protection and Enhancement Act (EPEA). The demonstration project will be located in the Central Block of Sawn Lake where Andora is the operator and holds a 50% working interest plus a 3% GORR” on a non-owned 40% working interest. Work on the demonstration project has commenced. It is expected that the horizontal well pair will be drilling in the third quarter of 2013 and steam operations commencing in the fourth quarter of 2013.

Andora Sawn Lake, Alberta Interests at December 31, 2012

	Gross Sections	Working Interest	Additional Interest
South Block (Andora operated)	16	100%	
Central Block (Andora operated)	12	50%	3% GORR on non owned 40% working interest
North Block (Andora operated)	9	100%	
North Block	51	10%	3% GORR on an 80% working interest for a portion of the lands
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Summary of Canada Contingent Bitumen Resources as of December 31, 2012, as provided by Sproule

Marketable Resources - Company Gross (million barrels)	Andora	Pan Orient 71.8%
Contingent - Low Estimate "1C"	194.9	140.0
Contingent - Best Estimate "2C"	214.4	154.0
Contingent - High Estimate "3C"	251.0	180.3

Sawn Lake Oil Sands Project
Summary of Net Present Values Before Tax as of December 31, 2012
Contingent Resources as provided by Sproule

Andora 100% (Cdn\$ million)

	0%	5%	10%	15%
Contingent - Low Estimate "1C"	3,013	1,136	429	121
Contingent - Best Estimate "2C"	4,352	1,423	489	130
Contingent - High Estimate "3C"	6,236	1,955	662	189
1	Resources assessed at forecast crude oil reference prices and costs.			
2	The reference prices for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) are \$69.33 for 2013, \$74.57 for 2014, \$73.21 for 2015, \$80.17 for 2016, \$81.37 for 2017, and increase at 1.5% per year thereafter.			
3	Oil revenue for these resources is equal to ~72% of the forecast crude oil reference price.			
4	The reference prices for natural gas (AECO-C Spot price per MMBTU in Canadian dollars) are \$3.31 for 2013, \$3.72 for 2014, \$3.91 for 2015, \$4.70 for 2016, \$5.32 for 2017 and increase at approximately 1.5% per year thereafter.			
5	Future development costs for Contingent Resources which have been deducted in calculating the before tax NPV: <ul style="list-style-type: none"> ▪ Low Estimate – CDN\$2,312 million with the drilling of 390 gross well pairs and building facilities ▪ Best Estimate – CDN\$2,328 million with the drilling of 390 gross well pairs and building facilities ▪ High Estimate – CDN\$2,382 million with the drilling of 390 gross well pairs and building facilities 			
6	The engineered values disclosed may not represent fair market value.			
7	There is no certainty that it will be commercially viable to produce any portion of the resources.			

Sawn Lake Oil Sands Project
 Summary of Net Present Values Before Tax as of December 31, 2012
 Contingent Resources as provided by Sproule

Pan Orient 71.8% Interest in Andora (Cdn\$ million)

	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
Contingent - Low Estimate "1C"	2,165	816	308	87
Contingent - Best Estimate "2C"	3,126	1,022	351	93
Contingent - High Estimate "3C"	4,480	1,405	476	136
1	Resources assessed at forecast crude oil reference prices and costs.			
2	The reference prices for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) are \$69.33 for 2013, \$74.57 for 2014, \$73.21 for 2015, \$80.17 for 2016, \$81.37 for 2017, and increase at 1.5% per year thereafter.			
3	Oil revenue for these resources is equal to ~72% of the forecast crude oil reference price.			
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5	Future development costs for Contingent Resources which have been deducted in calculating the before tax NPV: <ul style="list-style-type: none"> ▪ Low Estimate – CDN\$1,661 million with the drilling of 390 gross well pairs and building facilities ▪ Best Estimate – CDN\$1,673 million with the drilling of 390 gross well pairs and building facilities ▪ High Estimate – CDN\$1,711 million with the drilling of 390 gross well pairs and building facilities 			
6	Results represent Pan Orient's 71.8% interest in Andora.			
7	The engineered values disclosed may not represent fair market value.			
8	There is no certainty that it will be commercially viable to produce any portion of the resources.			

Pan Orient's will be announcing 2012 year-end results and providing an update on Thailand operations on Thursday March 28th.

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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FOR FURTHER INFORMATION, PLEASE CONTACT:

Pan Orient Energy Corp.

Jeff Chisholm, President and CEO

- or -

Bill Ostlund, Vice President Finance and CFO

Telephone: (403) 294-1770