



PAN ORIENT ENERGY CORP.

Press Release

PAN ORIENT ANNOUNCES 2012 YEAR-END THAILAND RESERVES UPDATE

CALGARY, February 28, 2013

Pan Orient Energy Corp. (POE – TSXV) announced the results of its December 31, 2012 independent reserves evaluation for Thailand on-shore Concession L53/48 where Pan Orient is the operator and has a 100% working interest. *Please note that all amounts are in Canadian dollars unless otherwise stated and BOPD refers to barrels of oil per day. Company gross reserves reported represent Pan Orient's working interest share of production and reserves before deduction of royalties.*

The evaluation for the Thailand assets as at December 31, 2012 was conducted by Sproule International Limited of Calgary ("Sproule") and was prepared in accordance with Canadian Securities Administrators National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

Thailand Reserves Summary:

- Thailand Company gross proved plus probable crude oil reserves of 1.1 million barrels at December 31, 2012, with an associated net present value (after tax), using forecast prices and costs discounted at 10% per year of Cdn\$42 million, or \$0.73 per Pan Orient share based on the current 56.8 million Pan Orient shares outstanding.
- Company gross proved plus probable crude oil reserves at December 31, 2012 from conventional sandstone reservoirs were 0.6 million barrels for the L53A field and 0.5 million barrels for the L53D field.
- Company gross proved plus probable oil reserves of 1.1 million barrels at December 31, 2012 reflect the following changes during 2012:
 - the sale June 15, 2012 of the Company's 60% working interests in Thailand Concessions SW1, L44/43, & L33/43 for proceeds net of income tax of \$158 million, which had an estimated 18.0 million barrels of proved plus probable oil reserves, primarily from unconventional reservoirs
 - oil sales in 2012 of 0.5 million barrels of oil
 - discovery of the L53D oil field in Concession L53 with 0.7 million barrels of oil
 - technical downward revision of 0.1 million barrels of oil for the L53A oil field in Concession L53
- Pan Orient's oil sales in 2012 were 0.5 million barrels, an average of 1,430 BOPD, with 1,029 BOPD in the fourth quarter of 2012. Average 2012 oil sales comprised 937 BOPD from Concession L53 and 493 BOPD associated with the working interests in Concessions SW1, L44/43, & L33/43 sold June 15, 2012. Oil sales for Concession L53 were 1,358 BOPD in the first quarter of 2012, 520 in the second quarter of 2012, 842 in the third quarter of 2012 and 1,029 in the fourth quarter of 2012.
- For the determination of crude oil reserves at December 31, 2012, no reserves were assigned to the new pool discovery with the L53-DC1 appraisal well in Concession L53 which started drilling January 7, 2013 and is currently being tested.

Summary of Thailand Crude Oil Reserves as of December 31, 2012, as provided by Sproule

Marketable Reserves – Company Gross (thousands of barrels)	
Proved	405
Probable	682
Total Proved plus Probable	1,087

Summary of Thailand Crude Oil Proved plus Probable Reserves as of December 31, 2012, by Major Field as provided by Sproule – Company Gross (thousands of barrels)

Concession	Major Field	Gross Proved	Gross Probable	Gross Proved plus Probable
L53/48	L53A Field	164	413	577
	L53D Field	241	269	510
		405	682	1,087

Reconciliation of Changes in Thailand Crude Oil Reserves as of December 31, 2012, as provided by Sproule – Company Gross

(thousands of barrels)	Gross Proved	Gross Probable	Gross Proved plus Probable
December 31, 2011	5,993	13,005	18,998
Extensions	-	-	-
Improved Recovery	-	-	-
Technical Revision	69	(141)	(72)
Discoveries	438	269	707
Acquisitions	-	-	-
Dispositions (Note 1)	(5,572)	(12,451)	(18,023)
Economic Factors	-	-	-
Production	(523)	-	(523)
December 31, 2012	405	682	1,087

Summary of Thailand Net Present Values as of December 31, 2012, as provided by Sproule (Before Income Tax)

Present Value - Before Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	25	24	24	23
Probable	50	47	44	41
Total Proved plus Probable	75	71	68	64

Summary of Thailand Net Present Values as of December 31, 2012, as provided by Sproule (After Income Tax)

Present Value - After Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	19	19	18	18
Probable	26	24	23	22
Total Proved plus Probable	45	43	42	40
Per Pan Orient share (Note 8)	\$ 0.79	\$ 0.76	\$ 0.73	\$ 0.71

Notes:

- 1) Thailand reserves and values at December 31, 2012 shown represent Pan Orient's 100% working interest for Concession L53/48.
Thailand reserves and values at December 31, 2011 shown represent Pan Orient's 60% working interests for Concessions SW1, L44/43, & L33/43 and Pan Orient's 100% working interest for Concession L53/48. Pan Orient's 60% working interests in Concessions SW1, L44/43, & L33/43 were sold June 15, 2012.
- 2) The tables shown have assessed reserves at forecast crude oil reference prices & costs.

- 3) The US\$ reference price for crude oil per barrel (US\$ UK Brent per barrel) 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.
- 4) Oil revenue for these reserves is based on approximately 92% of the forecast crude oil Brent reference price for the L53A field and 88% for the L53D field.
- 5) Tables shown assessed reserves with a foreign exchange rate of US\$1=CDN\$1.001
- 6) The cost inflation rate starting in 2014 is 1.5% per year.
- 7) Estimated future undiscounted development costs, in nominal dollars, at December 31, 2012 were Cdn\$4.0 million for proved reserves and Cdn\$8.8 million for proved plus probable reserves.
- 8) Per share values were calculated based on 56,760,307 Pan Orient shares currently outstanding.
- 9) Net present values before income tax are before deduction of the SRB (Special Remuneratory Benefit tax) in Thailand.
- 10) Net present values after income tax are after deduction of the SRB (Special Remuneratory Benefit tax) and income tax in Thailand.
- 11) Well abandonment and disconnect costs were included in this report. No allowances for reclamation or salvage values were made.
- 12) The net present values disclosed may not represent fair market value.
- 13) The evaluation for the Thailand assets as at December 31, 2011 had been conducted by Gaffney, Cline & Associates (Consultants) Pte. Ltd. of Singapore. There were no disputes between Gaffney, Cline and management of Pan Orient.
- 14) Totals may not add exactly due to rounding.

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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