



PAN ORIENT ENERGY CORP.

Press Release

PAN ORIENT ANNOUNCES 2011 YEAR-END THAILAND RESERVES UPDATE

CALGARY, March 21, 2011

Pan Orient Energy Corp. (POE – TSXV) announced the results of its December 31, 2011 independent reserves evaluation for Thailand on-shore concessions. *Please note that all amounts are in Canadian dollars unless otherwise stated, volumes of crude oil are net to Pan Orient and BOPD refers to barrels of oil per day net to Pan Orient.*

The evaluation was conducted by Gaffney, Cline & Associates (Consultants) Pte. Ltd. of Singapore (“Gaffney Cline”) for the Thailand assets and was prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Crude oil reserves in Thailand at December 31, 2011 have been assigned to our four on-shore concessions in Thailand, being Concession SW1, Concession L44/43, and Concession L33/43 where Pan Orient is the operator and has a 60% working interest, and Concession L53/48 where Pan Orient is the operator and has a 100% working interest.

Thailand Reserves Summary and Highlights:

- Note that for the determination of crude oil reserves at December 31, 2011, no reserves were assigned to the new oilfield discovery with the L53-D2 well in Concession L53 which started drilling in December 2011 but was not brought on production until January 12, 2012. A mid-year resource report for the L53-D EAST filed is anticipated to be completed in April 2012 as required for the production license application encompassing the new field discovery.
- Thailand proved plus probable oil reserves were 19.0 million barrels at December 31, 2011, a 40% decrease from the 31.9 million barrels at December 31, 2010 and with an associated net present value (after tax), using forecast prices and discounted at 10% of Cdn\$349 million, or \$6.15 per Pan Orient share based on the current 56.7 million Pan Orient shares outstanding.
- Thailand proved crude oil reserves of 6.0 million barrels at December 31, 2011, down from 7.4 million barrels the previous year due to oil production of 741,000 barrels, discoveries of 139,000 barrels and a negative revision of 769,000 barrels (-10%) with an associated net present value (after tax), using forecast prices and discounted at 10% of Cdn\$135 million, or \$2.37 per Pan Orient share based on the current 56.7 million Pan Orient shares outstanding.
- Pan Orient’s oil sales in 2011 were 0.74 million barrels, an average of 2,030 BOPD, with 1,826 BOPD in the fourth quarter of 2011.

Summary

2011 reserves were mainly impacted by the reduction in recovery factors for all of the volcanic reservoir fields, with the largest percentage decrease (-79%) in reserves at the L33-2 field due to the negative results of a number of appraisal wells drilled during 2011. It was anticipated that the successful results of a number of horizontal / highly deviated wells recompleted with inflow control device (ICD) technology would mitigate the negative impact on reserves but this was not possible due to limited production performance available going into year-end that would be required to fully quantify the potential benefits.

Production averaged 2,030 BOPD in 2011 and averaged 2,304 and 2,596 BOPD in the months of January and February 2012 respectively. Production from conventional sandstone reservoirs in January represented 51% of the Company’s production, and 65% in February.

Production guidance for 2012 was set at the beginning of 2012 to average 2,500 BOPD. The largest potential impact on upcoming production will be the exact timing of the granting of a new production license in the 100% Pan Orient owned and operated Concession L53.

Summary of Thailand Crude Oil Reserves as of December 31, 2011, as provided by Gaffney Cline

Marketable Reserves – Company Gross (thousands of barrels)		Net to Pan Orient
Proved		5,993
Probable		13,005
Total Proved plus Probable		18,998
Possible		17,086
Total Proved plus Probable plus Possible		36,084

Summary of Thailand Crude Oil Proved plus Probable Reserves as of December 31, 2011, by Major Field as provided by Gaffney Cline – Company Gross (thousands of barrels net to Pan Orient)

Concession	Major Field	Gross Proved	Gross Probable	Gross Proved plus Probable
L44/43	Na Sanun East (incl. NSE-F1)	1,706	3,402	5,108
	Bo Rang North	2,546	3,287	5,833
	Wichian Buri Extension (Concession L44)	634	2,784	3,418
	Various fields	112	1,247	1,359
L33/43	L33 Field	112	423	535
	Wichian Buri Extension (portion in L33)	477	947	1,424
L53/48	L53A Field	241	554	795
SW1	Various fields	163	363	526
		5,993	13,005	18,998

Reconciliation of Changes in Thailand Crude Oil Reserves as of December 31, 2011, as provided by Gaffney Cline – Company Gross (net to Pan Orient)

(thousands of barrels)	Gross Proved	Gross Probable	Gross Proved plus Probable
December 31, 2010	7,363	24,572	31,935
Extensions	-	-	-
Improved Recovery	-	-	-
Technical Revision	(769)	(11,808)	(12,577)
Discoveries	139	241	380
Acquisitions	-	-	-
Dispositions	-	-	-
Economic Factors	-	-	-
Production	(741)	-	(741)
December 31, 2011	5,993	13,005	18,998

Summary of Thailand Net Present Values as of December 31, 2011, as provided by Gaffney Cline (Before Income Tax net to Pan Orient)

Present Value - Before Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	371	295	246	212
Probable	804	574	430	335
Total Proved plus Probable	1,175	869	676	547

Summary of Thailand Net Present Values as of December 31, 2011, as provided by Gaffney Cline (After Income Tax net to Pan Orient)

Present Value - After Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	199	159	133	115
Probable	405	288	216	168
Total Proved plus Probable	603	447	349	283
Per Pan Orient share (Note 8)	\$ 10.65	\$ 7.89	\$ 6.15	\$ 4.98

Notes:

- 1) Thailand reserves and values shown represent Pan Orient's 60% working interest for Concessions SW1, L44/43, & L33/43 and Pan Orient's 100% working interest for Concession L53/48.
- 2) The tables shown have assessed reserves at forecast crude oil reference prices & costs.
- 3) The reference price for crude oil per barrel (US\$ Brent per barrel) 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.
- 4) Oil revenue for these reserves is equal to approximately 88% of the forecast crude oil reference price.
- 5) Tables shown assessed reserves with a foreign exchange rate of CDN\$1=US\$0.988
- 6) The inflation rate starting in 2011 is 2.0% per year.
- 7) Estimated future undiscounted development costs at December 31, 2011 were Cdn\$27 million for proved reserves and Cdn\$91 million for proved plus probable reserves.
- 8) Per share values were calculated based on 56,685,307 Pan Orient shares outstanding at March 20, 2012.
- 9) Net present values before income tax are after 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) The engineered values disclosed may not represent fair market value.
- 12) 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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