

PAN ORIENT ENERGY CORP.

Press Release

\$0.40 Per Share Special Distribution Declared

CALGARY, February 1, 2016

Pan Orient Energy Corp. ("Pan Orient" or the "Corporation") (POE – TSXV) is pleased to announce that it received shareholder approval today to reduce the stated capital of its common shares by \$0.40 per share. Over 97% of the votes cast were in favor of the required special resolution. Shareholder approval allowed Pan Orient's directors to declare a cash distribution of \$0.40 per share on each outstanding common share. The distribution will be a return of capital, and is expected to be generally more tax advantageous to shareholders than a dividend.

The aggregate amount of the distribution will be approximately \$21.95 million. It will be funded from Pan Orient's cash reserves, a significant portion of which resulted from the sale by Pan Orient in February 2015 of a 49.99-percent equity interest in Pan Orient Energy (Siam) Ltd., which holds a 100% interest in Concession L53/48 in Thailand. The remaining cash reserves are expected to be sufficient to fund the needs of Pan Orient's continuing business operations for the foreseeable future.

The distribution to shareholders will be made in accordance with the "due bill" trading procedures mandated by the TSX Venture Exchange for large dividends and distributions. The purpose is to result in traded shares carrying the value of the \$0.40 distribution until it is paid.

A due bill will notionally represent the \$0.40 distribution that a holder of a Pan Orient share is entitled to receive. A due bill will attach to each share traded, from the second trading day before the record date for the distribution until the date on which the distribution is paid. During this due bill trading period, the shares will trade on a "due bills basis". A seller of shares (who is prospectively entitled to the \$0.40 distribution) will also sell to the purchaser the entitlement to the distribution (which is represented by the due bill attached to each share sold).

Key dates are:

- The record date to determine shareholders entitled to receive the distribution will be February 10, 2016
- Due bill trading will commence on February 8, 2016 (two trading days before the record date, so that trades settling after the record date have due bills attached)
- The payment date for the distribution will be February 16, 2016
- The ex-distribution date will be February 17, 2016 (the trading day after the payment date, so that trades on and after that date will not have due bills attached)
- The due bill redemption date will be February 19, 2016 (the second trading day after the ex-distribution date, when all trades with due bills attached have settled)

Pan Orient is a Calgary, Alberta based oil and gas exploration and production company with operations currently located onshore Thailand and 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, payment of the declared \$0.40 distribution on Pan Orient's common shares; tax consequences; the aggregate amount of the distribution; the sufficiency of remaining cash reserves; funding needs for continuing business operations; due bills trading procedure; and record, due bill trading, payment, ex-distribution and due bill redemption dates for the special distribution. 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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