



**PAN ORIENT ENERGY CORP.
Press Release**

**PAN ORIENT ANNOUNCES 2011 YEAR-END RESERVES FOR SAWN LAKE,
ALBERTA PROJECT OF ANDORA ENERGY CORPORATION**

CALGARY, February 24, 2012

Pan Orient Energy Corp. (POE – TSXV), on behalf of its 53.4% owned subsidiary Andora Energy Corporation (“Andora”), is also pleased to release the December 31, 2011 National Instrument 51-101 compliant resource appraisal for Andora’s oil sands project at Sawn Lake Alberta, Canada, as evaluated by Sproule Associates Ltd. (“Sproule”). The evaluation included a complete geological and economic evaluation of all of Andora’s Oil Sands Leases in Sawn Lake based on exploitation using Steam Assisted Gravity Drainage (SAGD).

Sawn Lake, Alberta Project 2011 Year-End Evaluation Summary and Highlights:

- The oil sands project at Sawn Lake Alberta as at December 31, 2011 was evaluated by Sproule. The contingent resource volumes estimated in the Sproule report are considered contingent until such time as commercial recovery has been demonstrated, regulatory approvals have been obtained and the company has committed to proceed with 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 214.2 million barrels attributed to Andora’s working interests, or 114.4 million barrels attributed to the 53.4% 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 is \$612 million for Andora and \$327 million to the 53.4% 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 is \$400 million for Andora and \$214 million to the 53.4% ownership interest of Pan Orient in Andora.
- There is no change from the estimate of contingent resource volumes as at December 31, 2010 prepared by Sproule. The December 31, 2011 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. The most significant changes are a reduction in natural gas prices and an increase in crude oil prices.
- Andora received Commercial Scheme Approval for a Steam Assisted Gravity Drainage (SAGD) recovery process 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) in 2009. The pilot project location is on Andora 100% owned acreage within the South Block of its Sawn Lake Property in the Peace River Oil Sands Region.

Andora Sawn Lake, Alberta Interests at December 31, 2011

| | 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 |
| | 88 | | |

Summary of Canada Contingent Bitumen Resources as of December 31, 2011, as provided by Sproule

| Marketable Resources - Company | Andora | Pan Orient 53.4% |
|---------------------------------|--------|------------------|
| Gross (million barrels) | | |
| Contingent - Low Estimate "1C" | 194.5 | 103.9 |
| Contingent - Best Estimate "2C" | 214.2 | 114.4 |
| Contingent - High Estimate "3C" | 250.8 | 133.9 |

Sawn Lake Oil Sands Project

Summary of Net Present Values Before Tax as of December 31, 2011

Contingent Resources as provided by Sproule

Andora 100% (Cdn\$ million)

| | <u>0%</u> | <u>5%</u> | <u>10%</u> | <u>15%</u> |
|---------------------------------|--|-----------|------------|------------|
| Contingent - Low Estimate "1C" | 3,812 | 1,286 | 408 | 67 |
| Contingent - Best Estimate "2C" | 4,995 | 1,704 | 612 | 193 |
| Contingent - High Estimate "3C" | 7,064 | 2,471 | 968 | 386 |
| 1 | Resources assessed at forecast crude oil reference prices and costs. | | | |
| 2 | The reference price for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) is \$82.34 for 2012, \$79.69 for 2013, \$77.25 for 2014, \$81.80 for 2015, \$83.44 for 2016, and prices for the reference price (WCS) increase at 2% per year thereafter. | | | |
| 3 | Oil revenue for these resources is equal to ~73% of the forecast crude oil reference price. | | | |
| 4 | 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\$2,000 million with the drilling of 390 gross well pairs and building facilities ▪ Best Estimate – CDN\$1,976million with the drilling of 390 gross well pairs and building facilities ▪ High Estimate – CDN\$2,020 million with the drilling of 390 gross well pairs and building facilities | | | |
| 5 | The engineered values disclosed may not represent fair market value. | | | |

Sawn Lake Oil Sands Project
 Summary of Net Present Values Before Tax as of December 31, 2011
 Contingent Resources as provided by Sproule
Pan Orient 53.4% Interest in Andora (Cdn\$ million)

| | <u>0%</u> | <u>5%</u> | <u>10%</u> | <u>15%</u> |
|---------------------------------|---|-----------|------------|------------|
| Contingent - Low Estimate "1C" | 2,035 | 687 | 218 | 36 |
| Contingent - Best Estimate "2C" | 2,667 | 910 | 327 | 103 |
| Contingent - High Estimate "3C" | 3,772 | 1,320 | 517 | 206 |
| 1 | Resources assessed at forecast crude oil reference prices and costs. | | | |
| 2 | The reference price for crude oil per barrel (Western Canada Select WCS 20.5 API adjusted for quality and transportation in Canadian dollars) is \$82.34 for 2012, \$79.69 for 2013, \$77.25 for 2014, \$81.80 for 2015, \$83.44 for 2016, and prices for the reference price (WCS) increase at 2% per year thereafter. | | | |
| 3 | Oil revenue for these resources is equal to ~73% of the forecast crude oil reference price. | | | |
| 4 | 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\$1,068 million with the drilling of 390 gross well pairs and building facilities ▪ Best Estimate – CDN\$1,055 million with the drilling of 390 gross well pairs and building facilities ▪ High Estimate – CDN\$1,079 million with the drilling of 390 gross well pairs and building facilities | | | |
| 5 | Results represent Pan Orient's 53.4% interest in Andora. | | | |
| 6 | The engineered values disclosed may not represent fair market value. | | | |

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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