



## PAN ORIENT ENERGY CORP.

### Press Release

### Annual Meeting and Corporate Update

**CALGARY, June 30, 2015**

Pan Orient Energy Corp. ("Pan Orient") (POE – TSXV) is pleased to report that all resolutions (appointment of auditor, number of directors, election of directors, re-approval of the stock option plan, confirmation of a new by-law relating to advance notice of director nominations and ratification of the shareholder rights plan) at its June 29, 2015 Annual and Special Meeting of Shareholders were approved by over 93% of votes cast. A new corporate presentation made at the meeting has been posted on Pan Orient's website at [www.panorient.ca](http://www.panorient.ca).

Pan Orient is pleased to provide the following corporate update. *Note that all amounts are in Canadian dollars unless otherwise stated and BOPD refers to barrels of oil per day.*

#### Highlights

- The satisfaction of the conditions precedent to the East Jabung Production Sharing Contract ("PSC") farmout agreement between Pan Orient and a subsidiary of Talisman Energy Inc. and the receipt of a \$9.4 million cash payment.
- The Company is constructing the well pad for drilling of the Akeh-1 Indonesian exploration well at the Batu Gajah PSC in August 2015.
- On June 16, 2015 a subsidiary of 71.8% owned Andora Energy Corporation ("Andora") was granted the Canadian patent for produced water boiler technology designed to meet regulatory water recycle requirements on a per well pair basis allowing for modular, scaled development.
- Bitumen production continues to ramp up at Sawn Lake and is exceeding "Best" case estimate assigned by Sproule Unconventional Limited in the December 31, 2014 contingent resource evaluation.
- Completed the sale on February 2, 2015 of a 50% equity interest in the Thailand subsidiary for estimated net proceeds to Pan Orient, after closing adjustments and costs, of \$52.0 million, including a working capital adjustment of \$3.1 million.
- Strong financial position with working capital and non-current deposits of \$85.0 million as at March 31, 2015, an additional \$9.4 million received as initial consideration of the East Jabung farmout and no long-term debt.
- Firm capital expenditures of \$6 million forecast over the next 12 months for Indonesian and Thailand exploration drilling (including third party carried interests) that will be financed through funds flow from operations and working capital.
- To date, Pan Orient has repurchased 1,330,800 common shares under the Normal Course Issuer Bid. After cancellation of these repurchased shares, there are 55.4 million issued and outstanding Pan Orient shares.

#### East Jabung PSC (POE 49% & Non Operator)

Over the past two years Pan Orient has been busy building a strong foundation for the Company's Indonesian business. This has included acquiring 2D and 3D seismic data, obtaining required Government of Indonesia regulatory approvals for drilling and most recently, de-risking the portfolio through additional technical work and taking on partners, where appropriate. A third party engineer prospective resource evaluation for the Anggun prospect located at the onshore East Jabung PSC Indonesia, is planned to be completed in July 2015, at which time the Company will release the results of this evaluation.

The Company is also pleased to announce the satisfaction of the conditions precedent to the East Jabung PSC farmout agreement between Pan Orient and a subsidiary of Talisman Energy Inc. and the receipt of the \$9.4 million initial cash payment. We look forward to the drilling of the Anggun prospect and working with the new operator.

#### Batu Gajah PSC (POE 77% & Operator)

Location construction for the Akeh-1 exploration well commenced on June 15, 2015 and is expected to be completed in early August with drilling to commence by the end of August. Akeh-1 will be targeting oil, gas and condensate at multiple reservoir levels that have been proven in the adjacent PSC. With an approximately \$60 million cost recovery pool, any possible success would result in very attractive economics at current oil prices.

### **L53 Concession Thailand (POE 50% & Operator)**

A series of workovers are planned between July and year end in order to maintain production at between approximately 600 and 800 BOPD (gross). The Company is currently seeking Provincial government approval of a surface location for a well that is planned to target the A North East prospect. Drilling is anticipated to take place sometime between the third quarter of 2015 and the first quarter of 2016.

### **Sawn Lake SAGD Demonstration Project (Andora 50% & Operator)**

In June 2015, a Canadian patent was granted to a wholly owned subsidiary of Andora for a produced water boiler technology that is designed to meet regulatory water recycle requirements on a per well pair (modular) basis that would facilitate scaled development at Sawn Lake. Andora is owned 71.8% by Pan Orient.

The demonstration well pair is still in its ramp-up phase and the steam chamber has not yet reached the top of the Bluesky reservoir cap rock. For the period from June 1st to 22nd bitumen production averaged 391 BOPD with a Steam-Oil Ratio ("SOR") of 4.4. May 2015 bitumen production averaged 388 BOPD with an SOR of 4.3 (all production numbers are on a 100% basis). Production performance is exceeding the "Best" case estimate used by Sproule in the December 31, 2014 contingent resource evaluation of 345 BOPD with an SOR of 4.0. Sproule "High" case is 449 BOPD with an SOR of 3.1.

### **Summary**

Over the coming year the Company will focus on exploration drilling at the Batu Gajah and East Jabung PSCs onshore Sumatra, a workover program and the drilling of one exploration well at Concession L53 onshore Thailand and continuing the Sawn Lake demonstration project in Canada. Firm capital expenditures for drilling over the coming 12 month period are estimated at \$6 million with an additional \$8 million of capital expenditures contingent upon drilling success at the upcoming Akeh-1 exploration well at Batu Gajah PSC and another \$3 million at the East Jabung PSC. Capital funding for Thailand will be sourced from funds flow from operations and through working capital of the Company.

*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 press 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 press release includes, but is not limited to, references to drilling and workover plans in Indonesia and Thailand, firm and contingent capital expenditures, the economics of drilling success, a prospective resource report for the Anggun prospect, the benefits of Andora's produced water boiler technology, increasing bitumen production at Sawn Lake and continued purchases of common shares under the normal course issuer bid. 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 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.*

*This news release makes reference to the term "funds flow from operations", which is a non-International Financial Reporting Standards financial measure that does not have a standardized meaning prescribed by IFRS. Pan Orient believes the term provides useful information to investors.*

*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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