



**PAN ORIENT ENERGY CORP.  
Press Release**

**PAN ORIENT ANNOUNCES THAT ITS SUBSIDIARY ANDORA ENERGY CORPORATION WILL BE CONDUCTING A REVIEW OF STRATEGIC ALTERNATIVES AND RELEASES THE 2010 YEAR-END CONTINGENT RESOURCES FOR THE SAWN LAKE, ALBERTA OIL SANDS PROJECT**

CALGARY, February 10, 2011

Pan Orient Energy Corp. (POE – TSXV), on behalf of its 53.4% owned subsidiary Andora Energy Corporation (“Andora”), announces that the board of directors of Andora has determined that it is an appropriate time to assess strategic options for Andora. Andora has initiated a process to identify and consider strategic alternatives with a view to enhancing shareholder value. Strategic alternatives may include, but are not limited to, a sale of the corporation, a merger or other business combination, a farm-in or farm-out, an acquisition or disposition of assets, among other alternatives. To assist Andora in this process, Andora has retained Raymond James Ltd. as its sole and exclusive financial advisor.

Pan Orient, on behalf of Andora, is also pleased to release the December 31, 2010 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).

In support of the review of its strategic alternatives, Andora has entered into a binding conveyance agreement on February 4, 2011 with a private Alberta Company to acquire an additional 10% working interest in the Sawn Lake Central (12 sections) and North Blocks (51 sections) in consideration for the issuance to the vendor of 4,433,031 non-voting special warrants of Andora.

- Each special warrant will entitle the holder thereof to receive one common share of Andora, at no additional consideration and without any further action, upon the happening of a liquidity event involving Andora, including a sale of the corporation, a merger or other business combination, a farm-in or farm-out, an acquisition or disposition of assets, among other alternatives. If a liquidity event is not completed within 270 days of closing (subject to extension by the parties), the acquired interests will be reconveyed to the vendor. The acquisition is expected to close on February 28, 2011.
- Andora estimates this transaction represents a pro rata addition of 29 million barrels based on the Sproule “Best Case” resources.
- At December 31, 2010 there are 57,348,399 common shares of Andora issued and outstanding, of which 30,646,115 common shares are held by Pan Orient (representing 53.4% of the total issued and outstanding common shares of Andora on a non-diluted basis and 49.6% of the total issued and outstanding common shares of Andora on a diluted basis assuming exercise of the special warrants).
- Note that none of these working interest or resource numbers are included in Andora’s Sawn Lake, Alberta Project 2010 Year-End Evaluation Summary and Highlights set out below as the transaction is subsequent to the date of the resource report.

Please refer to the updated Pan Orient presentation at [www.panorient.ca](http://www.panorient.ca)

## Sawn Lake, Alberta Project 2010 Year-End Evaluation Summary and Highlights:

- The oil sands project at Sawn Lake Alberta as at December 31, 2010 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. Only 1.5 million barrels of contingent resources have been assigned to the 60 section North Block in this appraisal. Andora's position in the 51 section North Block is 10% with a 3% gross overriding royalty ("GORR") on non-owned 80% working interest over portions of these lands.
- Net present value of the "Best Case" (discounted at 10% before income tax using forecast prices) attributed to Sawn Lake contingent resources is \$415 million for Andora and \$222 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 \$254 million for Andora and \$136 million to the 53.4% ownership interest of Pan Orient in Andora.
- 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. The all season access into the facility site was completed in 2010.

Andora Sawn Lake, Alberta Interests at December 31, 2010

	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 80% working interest
	<u>88</u>		

Summary of Canada Contingent Bitumen Resources as of December 31, 2010, 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, 2010  
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"	2,828	891	217	-41
Contingent - Best Estimate "2C"	3,868	1,279	415	85
Contingent - High Estimate "3C"	5,647	1,972	758	284
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 \$63.64 for 2012, \$60.57 for 2013, \$57.91 for 2014, \$58.87 for 2015, \$59.84 for 2016, and prices for the reference price (WCS) increase at 1.5% per year thereafter.			
3	Oil revenue for these resources is equal to ~78% 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"> <li>▪ Low Estimate – CDN\$2,194 million with the drilling of 409 gross well pairs and building facilities</li> <li>▪ Best Estimate – CDN\$2,191 million with the drilling of 409 gross well pairs and building facilities</li> <li>▪ High Estimate – CDN\$2,174 million with the drilling of 409 gross well pairs and building facilities</li> </ul>			
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, 2010  
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"	1,510	476	116	-22
Contingent - Best Estimate "2C"	2,066	683	222	45
Contingent - High Estimate "3C"	3,015	1053	405	152
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 \$63.64 for 2012, \$60.57 for 2013, \$57.91 for 2014, \$58.87 for 2015, \$59.84 for 2016, and prices for the reference price (WCS) increase at 1.5% per year thereafter.			
3	Oil revenue for these resources is equal to ~78% 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"> <li>▪ Low Estimate – CDN\$1,172 million with the drilling of 409 gross well pairs and building facilities</li> <li>▪ Best Estimate – CDN\$1,170 million with the drilling of 409 gross well pairs and building facilities</li> <li>▪ High Estimate – CDN\$1,161 million with the drilling of 409 gross well pairs and building facilities</li> </ul>			
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.*

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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