

PAN ORIENT ENERGY CORP.

Press Release

Sawn Lake Alberta SAGD Heavy Oil Operations Update

CALGARY, September 17, 2014

Pan Orient Energy Corp. ("Pan Orient" or the "Corporation") (POE – TSXV) is pleased to provide an update on the Sawn Lake, Canada, steam assisted gravity drainage ("SAGD") demonstration project on behalf of Andora Energy Corporation ("Andora"), in which Pan Orient has a 71.8% ownership interest.

Andora has a 50% working interest in the Sawn Lake, Alberta SAGD demonstration project, and is the operator. The first step towards determining the commercial viability of the SAGD recovery process at Sawn Lake is for the demonstration project to provide an indication of the productivity of the reservoir and the amount of steam injection required to produce the bitumen, which are key components in assessing the potential for SAGD development at Sawn Lake.

For Phase 1 of the SAGD demonstration project, one SAGD well pair was drilled in the fourth quarter of 2013 to a depth of 650 meters and has a horizontal length of 780 meters. Construction of the facility for steam generation, water handling and oil treating was completed in the second quarter of 2014. Steam injection commenced May 21, 2014 to warm up the reservoir and establish communication between the SAGD steam injection well and the SAGD producing well which are five meters apart.

During the past 10 days the SAGD producing well has been recompleted for production with the installation of an electric submersible pump and a fibre optic data gathering string and the reservoir has been reheated through the resumption of steam injection by the SAGD injector well.

On September 16 bitumen production commenced. It is anticipated that a stable daily bitumen production rate and associated steam oil ratio will be achieved within the next six to eight weeks, at which time Pan Orient will provide an update to shareholders.

Pan Orient is a Calgary, Alberta based oil and gas exploration and production company with operations 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: the success, stability and timing of bitumen production rates and associated steam oil ratio and the timing of future updates to shareholders. 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: changes in project schedules, well test, operating and reservoir performance, the effects of weather and climate change, 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. Readers are cautioned that well test results, when announced, will not necessarily be indicative of long-term performance or of ultimate recovery.

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