



PAN ORIENT ENERGY CORP.

Press Release

PAN ORIENT INCREASES OWNERSHIP OF ANDORA ENERGY CORPORATION

CALGARY, August 10, 2012

Pan Orient Energy Corp. ("Pan Orient" or the "Corporation") (POE – TSXV) is pleased to announce that it has increased its ownership of Andora Energy Corporation ("Andora") from 52.5% to 71.8% through an additional \$24.7 million investment in Andora common shares.

Pan Orient entered into a standby commitment agreement dated July 17, 2012 with respect to a rights offering by Andora. One right was issued for each outstanding Andora common share and 1.4 rights plus \$0.60 entitled the holder to subscribe for one Andora share. Pan Orient agreed to exercised all rights issued to it, and to acquire all Andora shares issuable pursuant to rights not exercised by other Andora shareholders, for an aggregate subscription price (when combined with the exercise of rights issued to Pan Orient) of up to \$25 million.

The rights expired on August 9th. By acquiring Andora shares through the exercise of rights issued to it and satisfaction of its standby commitment, Pan Orient has purchased an additional 41.2 million Andora shares for \$24.7 million, thereby increasing its ownership of Andora from 52.5% to 71.8%.

Andora is a Calgary, Alberta-based private company established to explore and develop oil sands resources in the Sawn Lake area of the Peace River Oil Sands District of Northern Alberta. Since its inception, Andora has focused on creating value for shareholders by preparing the Sawn Lake Oil Sands Project for Steam Assisted Gravity Drainage (SAGD) development. Andora is preparing to advance the project with the initial SAGD well pair, in order to evaluate the technical and economic feasibility of the SAGD recovery process at Sawn Lake. Andora's assets include various working interests in 88 sections of oil sands leases, all located at Sawn Lake. Andora states that the net proceeds from the rights offering will be used for the procurement and construction of a thermal facility, drilling and operations in respect of its Sawn Lake SAGD pilot project at an estimated cost, including operating costs, of \$23.5 million, with the balance of the proceeds to be used for general corporate purposes.

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 "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, Andora's business plan and the intended use of proceeds from its rights offering. 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.

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