

CALGARY, AB--(Marketwired - March 22, 2016) - [Pan Orient Energy Corp.](#) ("Pan Orient") (TSX VENTURE: POE) is pleased to provide an operations and corporate update.

INDONESIA

East Jabung PSC, Onshore Sumatra Indonesia (POE 49% & Non Operator)

At a March 17, 2016 East Jabung Production Sharing Contract ("PSC") partners meeting Pan Orient was informed that significant progress has been made towards a road access agreement to the first proposed exploration drilling location on the first East Jabung PSC. Successful conclusion of this agreement will result in a substantially reduced length of new build road, from the originally proposed 24 kilometers, to approximately three kilometers. This would result in a substantially reduced well cost estimate, making it likely that the first East Jabung exploration well will be drilled within the US\$10 million limit for Pan Orient's carried interest.

Further, Pan Orient was informed by the operator that road and well pad construction is currently planned to commence in the late third quarter of 2016, followed by drilling in the fourth quarter of 2016.

Pan Orient is pleased with the progress that the operator has made to date towards the shorter and less costly well location access route and even more encouraged by the additional technical work that the operator has completed on the first East Jabung drilling prospect that was focused on assessing various technical risks and the overall chance of success. Pan Orient is very encouraged by the prospective resource volumes that were estimated for the first prospect as part of the operator's additional in-house technical work.

Batu Gajah, Onshore Sumatra Indonesia (POE 77% & Operator)

At a recent meeting with the Government of Indonesia ("GOI") oil and gas regulator, the Company was informed that the GOI wishes to see one additional appraisal well of the Akeh discovery prior to considering "conclusive discovery" status. Long lead time preparations are currently underway towards the drilling of a deviated appraisal well, Akeh-2, from the existing Akeh-1 well pad. In parallel to these Akeh-2 pre-drill tasks, the Company has been involved in discussions with a number of parties since December 2015 seeking a partner in the Batu Gajah PSC.

The Batu Gajah PSC 10 year exploration phase expires in January of 2017 and the Company intends to submit an application for a two year extension in June 2016, the earliest date for an application allowed under oil and gas regulations. The two year extension would allow the time required to finish drilling Akeh-2, seek conclusive discovery status and submit a completed Plan of Development.

THAILAND

Concession L53 Onshore (Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% ownership)

An application to the Government of Thailand ("GOT") was submitted in November 2015 for a 215 square kilometer "reserve area" that encompasses all of the remaining prospects defined within Concession L53 and based on full coverage 3D seismic data. The original nine year exploration period expired in January 2016 and the company expects the approval letter from the GOT for the reserve area by the end of this month.

The 2016 Thailand capital program is being reviewed on a monthly basis in light of the recent oil price decline, but will likely include an exploration well in late 2016 and at least one low cost work-over in the third quarter of 2016. Additional work-over activities will be considered in the event Brent oil prices rise above US\$45 per barrel.

Thailand oil sales averaged 577 BOPD in January, 539 BOPD in February and 522 BOPD over the first 15 days of March. Cost cutting has been a priority in the past six months and the current field break even oil prices (net of field and Bangkok office G&A, operating and transportation expenses and Government royalty) is approximately a reference price for Brent oil of US\$25 per barrel.

CANADA

Sawn Lake Alberta Heavy Oil (Operated by Andora, in which Pan Orient has a 71.8% ownership)

Bitumen production in 2016 at the Sawn Lake Demonstration Project has reached a steady state production level over the past

two months of 615 barrels per day ("BOPD") (307 BOPD net to Andora) with an average instantaneous steam-oil ratio ("ISOR") of 2.1 from the one SAGD wellpair. Bitumen production, on a 100% basis, averaged 603 BOPD with an ISOR of 2.2 in January and 629 BOPD with an ISOR of 2.1 in February. Production results to date are not necessarily indicative of long-term performance or of ultimate recovery and the Sawn Lake demonstration project has not yet proven that it is commercially viable.

The demonstration project commenced bitumen production in September 2014 and has successfully captured the key data associated with the objectives of the demonstration project. The demonstration project has demonstrated that the SAGD process works in the Bluesky formation at Sawn Lake, established characteristics of ramp up through stabilization of SAGD performance, indicated the productive capability and ISOR, and provided critical information required for well and facility design associated with future commercial development.

Given the current low price environment for bitumen, Sawn Lake Demonstration Project operations have been suspended at the end of February 2016. This decision considered the expectation that extremely low bitumen prices may continue for some time and the estimated time required for approval of the 3,200 BOPD expansion application at the demonstration project site, which is being submitted within the next month. It is expected that a reactivation of the demonstration project facility and wellpair would be considered as part of a potential commercial expansion to 3,200 BOPD. An expansion is dependent on regulatory approval, completion of detailed engineering and a higher commodity price environment to support project economics and financing.

CORPORATE

Normal Course Issuer Bid

Pan Orient intends to continue the purchase of its common shares pursuant to the renewal of its normal course issuer bid through the TSX Venture Exchange ("TSXV").

Under the terms of the bid, Pan Orient will be authorized to purchase, for cancellation, up to 4,549,963 of its common shares (10% of the public float), subject to a maximum of 1,097,708 common shares (2% of the 54,885,407 issued and outstanding common shares) during any 30 day period. The ability to purchase common shares under the bid will commence on or about March 24, 2016 and end one year from commencement or on the earlier date on which Pan Orient has either acquired the maximum number of common shares specified above or otherwise decided not to make any further purchases. During its previous normal course issuer bid commencing on March 17, 2015, Pan Orient purchased a total of 1,874,900 common shares through the facilities of the TSX Venture Exchange from March to September 2015, at an average price of \$1.44 per share.

Purchases under the Bid will be made from time to time by Mackie Research Capital Corporation on behalf of Pan Orient through the TSXV. Common shares purchased will be paid for with cash available from Pan Orient's working capital. All common shares purchased will be cancelled.

Pan Orient believes that volatility in commodity prices and the resulting impact on its common shares provide opportunities to Pan Orient to purchase common shares at attractive prices and that the purchases are an appropriate use of funds that will enhance value of the common shares held by remaining shareholders.

Adjustment of Stock Options

As a result of the \$0.40 distribution per common share paid to shareholders on February 16, 2016, Pan Orient has reduced the exercise price of its 4,991,000 outstanding stock options by \$0.40, corresponding to the reduction in fair market value of its common shares. The reduction was made pursuant to an adjustment provision in Pan Orient's stock option plan.

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 references, express or implied, to drilling plans in Indonesia and Thailand, regulatory approvals, Pan Orient's intention to commence a normal course issuer bid, TSXV approval, the maximum number of common shares that may be purchased and the timing thereof. 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.

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