CALGARY, ALBERTA--(Marketwired - May 19, 2016) - Pan Orient Energy Corp. ("Pan Orient") (TSX VENTURE:POE) reports 2016 quarter consolidated financial and operating results. *Please note that all amounts are in Canadian dollars unless otherwise stated ar BOPD refers to barrels of oil per day.*

The Corporation is today filing its unaudited consolidated financial statements as at and for the three months ended March 31, 2016 related management's discussion and analysis with Canadian securities regulatory authorities. Copies of these documents may be obtained online at www.sedar.com or the Corporation's website, www.panorient.ca.

Commenting today on Pan Orient's 2016 first quarter results, President and CEO Jeff Chisholm stated: "Pan Orient continued to foc on activities in the first quarter of 2016 that are deemed to provide the greatest impact in a soft oil price environment. These activitie included maintaining oil production, and completing detailed technical work high grading two exploration prospects in Concession L5 onshore Thailand, and progressing towards the drilling of the Akeh-2 appraisal well in the Batu Gajah PSC, onshore Indonesia. The Jabung PSC exploration drilling program continued to progress towards the planned fourth quarter 2016 spud date".

2016 FIRST QUARTER HIGHLIGHTS

- Corporate funds flow used in operations in the first quarter of 2016 was $2.1 million and the net loss attributable to common shareholders was $2.2 million.
- On February 16, 2016, Pan Orient returned $22.0 million ($0.40 per common share) to shareholders as a special distribution.
- The Cantik-1 exploration well at the Anggun prospect of the East Jabung Production Sharing Contract ("PSC") is planned to commence in the late third quarter of 2016, followed by drilling in the fourth quarter.
- The Company was informed by the oil and gas regulator of the Government of Indonesia that an additional appraisal well of th Akeh discovery at the Batu Gajah PSC is required prior to granting of "Release from Exploration Status" and preparations are underway towards drilling of the Akeh-2 deviated appraisal well from the existing Akeh-1 well pad in late 2016 or early 2017.
- Oil sales, net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, were 269 BOPD in the first quarter of 2016.
- Approval was received on May 10, 2016 from the Government of Thailand for a 215.87 square kilometer "reserved area" for exploration at Concession 53 for a period of up to five years.
- The Sawn Lake Steam Assisted Gravity Drainage ("SAGD") Demonstration Project in Alberta, in which Pan Orient's 71.8% subsidiary Andora owns a 50% working interest and is the operator, reached a steady state production level in January and February 2016 of an average of 615 barrels per day ("BOPD") (307 BOPD net to Andora) with an average instantaneous stea ratio ("ISOR") of 2.1 from the one SAGD wellpair. The demonstration project has successfully captured the key data associate with the objectives of the demonstration project and operations were suspended at the end of February 2016.
- Pan Orient continues to maintain a strong financial position for upcoming planned exploration activities during 2016 at the Batu Gajah and East Jabung PSCs in Indonesia, and at Concession L53 in Thailand with working capital and non-current deposits March 31, 2016 of $53.2 million and no long-term debt.

2016 FIRST QUARTER OPERATING RESULTS

The financial statements reflect that on February 2, 2015 the Company sold a 49.99% equity interest in its subsidiary Pan Orient En (Siam) Ltd. ("POS") and retained a 50.01% equity interest. From February 2, 2015 forward the retained 50.01% equity interest is reclassified as a jointly controlled Joint Venture and Pan Orient's 50.01% equity interest in the working capital, assets, capital expenditures, liabilities and operations of POS are recorded as Investment in Thailand Joint Venture.

- Net loss attributable to common shareholders for the first quarter of 2016 of $2.2 million ($0.04 loss per share) compared with income attributable to common shareholders of $33.9 million ($0.60 per share) in the first quarter of 2015, which was primarily the gain recorded on the sale of a 49.99% equity interest in its subsidiary Pan Orient Energy (Siam) Ltd. during the first quarte 2015.
- For the first quarter of 2016, the Company recorded total corporate funds flow used in operations, which includes the economi results of the 50.01% interest in the Thailand joint venture, of $2.1 million ($0.04 loss per share). This compares with total corp funds flow from operations for the fourth quarter of 2015 of $1.8 million ($0.03 per share). The decline in corporate funds flow operations from the fourth quarter of 2015 is primarily due to a 6% decline in the United States dollar which resulted in a $1.2 foreign exchange loss in the first quarter of 2016 versus a $1.6 million foreign exchange gain in the fourth quarter of 2015, rec of $0.6 million of Canadian income tax associated with realized foreign exchange gains, a 36% decline in Thailand oil sales ar 25% decline in the realized price of oil.
- Pan Orient reports capital expenditures of $1.7 million in the first quarter of 2016, with $0.6 million in Indonesia and $1.1 millio Canada at the Sawn Lake SAGD demonstration project of Andora. In addition, Pan Orient's share of Thailand joint venture cap expenditures was relatively minor at $27 thousand, which was recorded in Investment in Thailand Joint Venture.
- At March 31, 2016 Pan Orient had $53.2 million of working capital and non-current deposits. Working capital and non-current deposits were comprised of $41.6 million cash, $4.2 million of non-current deposits, $10.2 million of Canadian taxes receivable receivables of $1.2 million and less accounts payable of $4.0 million. There is $1.4 million of equipment inventory at the Batu G PSC in Indonesia for utilization in future drilling operations at the PSC. In addition, Pan Orient's Investment in Thailand Joint V includes $2.3 million of Thailand working capital and non-current deposits and $2.0 million of equipment inventory to be utilize future Thailand Joint Venture operations.
- Pan Orient had outstanding capital commitments as at March 31, 2016 of $2.0 million in Indonesia associated with the Compa 49% participating interest in the East Jabung PSC. In Canada, there were capital commitments of $0.2 million with respect to contracted natural gas pipeline tie-in and tariff charges associated with the Sawn Lake SAGD demonstration project of Andora Capital commitments for Pan Orient's 50.01% interest in Thailand Joint Venture were $0.4 million.

- Pan Orient renewed the normal course issuer bid in March 2016 and Pan Orient is authorized to purchase, for cancellation, up 4,549,963 of its common shares during the period of March 28, 2016 to March 28, 2017. No common shares have been repur under the renewed normal course issuer bid.
- Results Net to Pan Orient's 50.01% Interest in the Thailand Joint Venture for Concession L53
  - Average oil sales of 269 BOPD during the fourth quarter of 2016 and generated $0.3 million in funds flow from operation $13.71 per barrel. This compares with 421 BOPD in the fourth quarter of 2015 (a 36% decrease) and $33.51 per barrel i flow from operations (a 59% decrease). The average realized sales price per barrel decreased from $49.61 in the fourth of 2015 to $37.07 in the first quarter of 2016.
  - Per barrel amounts during the first quarter of 2015 were a realized price for oil sales of $37.07, transportation expenses $1.47, operating expenses of $12.27, general and administrative expenses of $7.81 and a 5% royalty to the Thailand government of $1.84. Oil sales revenue during this period was allocated 58% to expenses for transportation, operating, a general & administrative, 5% to the government of Thailand for royalties, and 37% to the Thailand Joint Venture. No Tha petroleum income taxes or Special Remuneratory Benefit tax was recorded during the quarter.
  - Oil sales in April 2016 at Concession L53, net to Pan Orient's 50.01% interest, were 245 BOPD.
  - The original nine year exploration period for Concession L53 expired in January 2016. The Government of Thailand has approved a 215.87 square kilometer "reserved area" with the payment of an annual surface reservation fee of $0.4 millio to five years. This surface reservation fee is reimbursable through work program expenditures and the reserved area encompasses all of the remaining prospects defined within Concession L53 based on full coverage 3D seismic data.
- Indonesia
  - Capital expenditures of $0.6 million during the first quarter of 2016 related to capitalized G&A at the Batu Gajah PSC.
  - Batu Gajah, Onshore Sumatra Indonesia (Pan Orient 77% ownership & Operator)
    - Preparations are currently underway towards the drilling of the Akeh-2 deviated appraisal well from the existing Ak pad.
    - 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 reg The Government of Indonesia may require Pan Orient to drill the Akeh-2 well prior to granting an extension.
- Sawn Lake Alberta Heavy Oil (Operated by Andora, in which Pan Orient has a 71.8% ownership)
  - The demonstration project has demonstrated that the SAGD process works in the Bluesky formation at Sawn Lake, esta 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. Product results to date are not necessarily indicative of long-term performance or of ultimate recovery and the Sawn Lake demon project has not yet proven that it is commercially viable.
  - Capital expenditures for the Sawn Lake demonstration project during the first quarter of 2016 were $1.1 million. Capital expenditures related to suspension of demonstration project operations at the end of February 2016, costs associated w expansion application at the demonstration project site and capitalization of expenses and revenues of the demonstratio project. Andora capitalized $0.6 million of demonstration project expenses less revenues in first quarter of 2016.
  - An application for a potential expansion at the demonstration project site to 3,200 BOPD was submitted at the end of Ap 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 engine and a higher commodity price environment to support project economics and financing.

OUTLOOK

INDONESIA

Batu Gajah, Onshore Sumatra Indonesia (Pan Orient 77% ownership & Operator)

The Company intends to submit an application for a two year extension in June 2016 which would allow the time required to finish d the Akeh-2 appraisal well, apply for "Release from Exploration Status" and move forward to prepare a Plan of Development to deter the likelihood of the commerciality of the Akeh-1 discovery.

Discussions continue with a number of parties since December 2015 seeking a partner in the Batu Gajah PSC.

East Jabung PSC, Onshore Sumatra Indonesia (Pan Orient 49% ownership & Non Operator)

Pan Orient looks forward to the planned drilling of the first East Jabung exploration well at the Anggun prospect in the fourth quarter 2016. The Anggun prospect is a relatively shallow, onshore, high impact target adjacent to existing infrastructure and possesses son the best fiscal terms in Indonesia. Success at Anggun would have the potential to materially transform Pan Orient within a framewor manageable appraisal and development costs and in the context of Pan Orient's available financial resources.

THAILAND

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

Oil production at onshore Concession L53 benefits from having a low cost structure, as demonstrated during the first quarter of 201

when the Brent reference price for crude oil averaged US$33.53 per barrel. The 2016 Thailand capital program will include two workovers and the construction of two exploration well locations. Construction of the two exploration well pads is planned to take pla between July and August 2016, prior to the onset of the monsoon season, enabling the flexibility to drill these one or more of these w at any time in the last half of 2016 and early 2017.

CANADA

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

Pan Orient is pleased with the results of the Sawn Lake SAGD demonstration project and is moving forward with steps which allow f future development at Sawn Lake. The Sawn Lake reservoir model and contingent resource report are being updated to incorporate results of the demonstration project and the application for a potential expansion at the demonstration project site was submitted at t end of April. It is recognized that higher crude oil prices, and specifically higher Western Canada Select reference prices, will be req for future development.

Corporate

Pan Orient continues to focus on demonstrating the value of its exploration prospects in Indonesia, Thailand and Canada. Pan Orien continues to maintain a strong financial position to conduct key exploration activities and ensure financial flexibility.

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 use such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in news release includes, but is not limited to, references to: renewal, extension or termination of oil concessions and production sharin contracts; other regulatory approvals; well drilling programs and drilling plans; the benefits of patented technology; estimates of rese and potentially recoverable resources, information on future production and project start-ups, and negotiation, agreement, closing a financing and other terms of farmout and other transactions; potential purchases of common shares under the normal course issuer and sufficiency of financial resources. By their very nature, the forward-looking statements contained in this news release require Pa Orient and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking informa 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 estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather 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 Orien Although Pan Orient believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assuran 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.

Financial and Operating Summary	Th Ma
(thousands of Canadian dollars except where indicated)	20
FINANCIAL	
Financial Statement Results - Excluding 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 1)	
Net income (loss) attributed to common shareholders	(2
Per share - basic and diluted	$
Cash flow from operating activities (Note 2)	(1
Per share - basic and diluted	$
Cash flow from (used in) investing activities (Note 2)	(2
Per share - basic and diluted	$
Working capital	49
Working capital & non-current deposits	53
Long-term debt	-
Shares outstanding (thousands)	54
Capital Commitments (Note 3)	2,
Contingencies (Note 4)	
Working Capital and Non-current Deposits	
Beginning of period	79
Corporate funds flow used in operations (Note 5)	(2

Special Distribution (Note 6)	(2
Funds flow from sale of Thailand interest	-
Working capital and non-current deposits derecognized on sale of Thailand interest and recorded in Investment in Joint Venture	-
Consolidated capital expenditures (Note 7)	(1
Amounts advanced to Thailand Joint Venture	(2
Disposal of petroleum and natural gas assets (Note 8)	10
Normal course issuer bid	-
Foreign operations - unrealized foreign exchange impact	(1
End of period	53
Economic Results - Including 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 9)	
Corporate funds flow from (used in) operations (Note 5)	(2
Per share - basic and diluted	$
Corporate funds flow from (used in) operations by region (Note 5)	
Canada (Note 10)	(2
Thailand - 100% to February 1, 2015 (Notes 1 & 11)	(8
Indonesia	(2
Funds flow used in consolidated operations	(2
Share of Thailand Joint Venture (Note 9)	34
Total corporate funds flow from (used in) operations	(2
Funds flow from sale of Thailand interest	-
Petroleum and natural gas properties	
Capital expenditures (Note 7)	1,
Disposition (Note 8)	(1
Capital Expenditures (Note 7)	
Canada (Note 10)	1,
Thailand - 100% to February 1, 2015 (Note 1)	-
Indonesia	55
Consolidated capital expenditures	1,
Share of Thailand Joint Venture capital expenditures	27
Total capital expenditures	1,
Investment in Thailand Joint Venture	
Beginning of period	35
Investment retained on sale of Thailand interest	-
Net loss from Joint Venture	(5
Other comprehensive gain (loss) from Joint Venture	(1
Amounts received from Joint Venture	20
End of period	33

	Thr Ma
(thousands of Canadian dollars except where indicated)	201
Thailand Operations	
Economic Results - Including 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 9)	
Oil sales (bbls)	24,
Average daily oil sales (BOPD) by Concession L53	269
Average oil sales price, before transportation (CDN$/bbl)	$ 3
Reference Price (volume weighted) and differential	
Crude oil (Brent $US/bbl)	$ 3
Exchange Rate $US/$Cdn	1.4
Crude oil (Brent $Cdn/bbl)	$ 4
Sale price / Brent reference price	79
Funds flow from (used in) operations (Note 5)	
Crude oil sales	906
Government royalty	(45
Transportation expense	(36
Operating expense	(30
Field netback	525
General and administrative expense (Note 12)	(19
Interest income	1

Foreign exchange loss	-
Thailand - Funds flow from operations	335
Funds flow from (used in) operations / barrel (CDN$/bbl) (Note 5)	
Crude oil sales	$ 3
Government royalty	(1.8
Transportation expense	(1.4
Operating expense	(12
Field netback	21.
General and administrative expense (Note 12)	(7.8
Interest Income	0.0
Foreign exchange loss	-
Thailand - Funds flow from operations	$ 1
Government royalty as percentage of crude oil sales	5
Income tax & SRB as percentage of crude oil sales	-
As percentage of crude oil sales	
Expenses - transportation, operating, G&A and other	58
Government royalty, SRB and income tax	5
Funds flow from operations, before interest income	37
Wells drilled (wells were drilled after February 1, 2015)	
Gross	-
Net	-
Financial Statement PresentationResults - Excluding 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 1)	
Crude oil sales	-
Government royalty	-
Transportation expense	-
Operating expense	-
Field netback	-
General and administrative expense (Notes 11 & 12)	(8
Interest income	-
Foreign exchange loss	-
Funds flow from (used in) consolidated operations	(8
Fund flow Included in Investment in Thailand Joint Venture	
Net loss from Thailand Joint Venture	(55
Add back non-cash items in net loss	901
Funds flow from Thailand Joint Venture	343
Thailand - Economic funds flow from operations (Note 9)	335

	Three Months Ended March 31,			
(thousands of Canadian dollars except where indicated)	2016	2015	Change	
Canada Operations (Note 10)				
Interest income	46	47	-2	%
General and administrative expenses (Note 12)	(467)	(574)	-19	%
Unrealized foreign exchange gain (loss)	(3,813)	414	-965	%
Realized foreign exchange gain	2,626	69	3,706	%
Current income tax	(581)	-	100	%
Canada - Funds flow used in operations	(2,189)	(17)	12,776	%
Indonesia Operations				
General and administrative expense (Note 12)	(170)	(457)	-63	%
Exploration expense (Note 13)	(114)	(161)	-29	%
Foreign exchange gain	72	220	-67	%
Indonesia - Funds flow used in operations	(212)	(398)	-47	%

(1) On February 2, 2015 the Company sold a 49.99% equity interest in its subsidiary Pan Orient Energy (Siam) Ltd. and retained a 50.01% equity interest in the company. The transaction resulted in Pan Orient Energy (Siam) Ltd. changing from a wholly-owned and controlled subsidiary to a joint arrangement where the Company shares joint control with the purchaser of th 49.99% equity interest. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is required to be accounted for using the equity method of accounting rather than consolidated as it had previously been when Pan Orient Energy (Siam) Ltd. was a controlled subsidiary. The change in accounting from consolidation to the equity method has resulted in the accounts of Pan Orient Energy (Siam) Ltd. being derecognized from the consolidated financial statements and a net investment related to the portion of the interest retained being recognized at its estimated fair value upon initial recognition. Pa Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of Pan Orient Energy (Siam) Ltd. from February 2, 2015 forward are recorded in Investment in Thailand Joint Venture.

(2) As set out in the Consolidated Statements of Cash Flows in the unaudited Consolidated Financial Statements of Pan Orient Energy Corp.

(3) Refer to Commitments in Note 10 of the March 31, 2016 Notes to the Interim Condensed Consolidated Financial Statements and Note 11 of the March 31, 2015 Notes to the Interim Condensed Consolidated Financial Statements.

(4) Refer to Contingencies in Note 11 of the March 31, 2016 Notes to the Interim Condensed Consolidated Financial Statements and Note 12 of the March 31, 2015 Notes to the Interim Condensed Consolidated Financial Statements.

(5) Corporate funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital and reclamation costs plus the corresponding amount from the Thailand operations which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

(6) On February 16, 2016, the Company paid a return of capital special distribution of $0.40 per share to common shareholders.

(7) Cost of capital expenditures, excluding decommissioning provision and the impact of changes in foreign exchange rates.

(8) In 2016, the joint venture partners in Andora's Sawn Lake SAGD demonstration project purchased the SAGD reservoir data.

(9) For the purpose of providing more meaningful economic results from operations for Thailand, and for comparison to previous period, the amounts presented consist of:
Company's share of Thailand funds flow from operation at 100% from January 1, 2015 to February 1, 2015 (being the beginnin of the year to the last date before the equity interest was completed as discussed in note 1)
Company's share of Thailand funds flow from operating at 50.01% subsequent to February 2, 2015 (when the Company completed the equity sale transaction).

(10) The Sawn Lake Demonstration Project in Alberta has not yet proven that it is commercially viable and all related costs and revenues are being capitalized as exploration and evaluation assets until commercial viability is achieved.

(11) The small amount of G&A shown in the first quarter of 2016 for Thailand operations related to G&A of the holding company of Pan Orient Energy (Siam) Ltd.

(12) General & administrative expenses, excluding non-cash accretion on decommissioning provision and stock-based payments.

(13) Exploration expense relates to exploration costs associated with the Citarum and South CPP PSCs in Indonesia.

(14) Tables may not add due to rounding.

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