

CALGARY, ALBERTA--(Marketwired - Feb 2, 2017) - [Pan Orient Energy Corp.](#) ("Pan Orient") (TSX VENTURE:POE), on behalf of Pan Orient Energy (Siam) Ltd. ("POS"), announced the results of its December 31, 2016 independent reserves evaluation for Thailand on-shore Concession L53/48 where POS is the operator and has a 100% working interest. Pan Orient has a 50.01% equity interest in POS, which is classified as a Joint Venture under International Financial Reporting Standards and accounted for using the equity method. Pan Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of POS are recorded in Investment in the Thailand Joint Venture.

The evaluation for the Thailand assets as at December 31, 2016 was conducted by Sproule International Limited of Calgary ("Sproule") and was prepared in accordance with Canadian Securities Administrators National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

*Please note that all amounts are in Canadian dollars unless otherwise stated and BOPD refers to barrels of oil per day. Reserves volumes reported below are "Company Gross Reserves", a classification of reserves used in the evaluation which represents production and reserves before deduction of royalties.*

#### Summary of Thailand Reserves at December 31, 2016 for Concession L53/48

- Thailand reserves and values at December 31, 2016 of POS (representing the 100% working interest of POS in Concession L53/48):
  - Proved crude oil reserves of 545,000 barrels at December 31, 2016 from conventional sandstone reservoirs, compared with proved oil reserves of 506,000 barrels at December 31, 2015, a 7.7% increase.
  - Proved plus probable crude oil reserves of 1,140,000 barrels at December 31, 2016 from conventional sandstone reservoirs, compared with proved plus probable oil reserves of 1,197,000 barrels at December 31, 2015. The 4.8% decrease in 2016 reflects the following changes during 2016:
    - 2016 oil sales of 189,059 barrels (517 BOPD), with 129,334 barrels (353 BOPD) from the L53G field, 11,078 barrels (30 BOPD) from the L53D field, 47,977 barrels (131 BOPD) from the L53A field and 671 barrels (2 BOPD) from the L53B field. The L53B field produced 671 barrels as test production in the fourth quarter of 2016 and POS applied for a production license for the L53B field on December 16, 2016.
    - An increase of 132,100 barrels resulting from a positive technical revision of 134,100 barrels less a reduction of 2,000 barrels from economic factors. There were positive technical revisions at all four fields, with the most significant being at the L53G field.
  - Net present value (after tax) of Thailand proved plus probable crude oil reserves at December 31, 2016, using forecast prices and costs discounted at 10% per year, of Cdn\$26.4 million. The slight increase in the net present value (after tax) of Thailand proved plus probable crude oil reserves from \$26.1 million at December 31, 2015 results primarily from a 16% reduction in operating expenses and a 19% decrease in forecast capital expenditures offsetting the 4.8% reduction in oil reserves.
- Net to Pan Orient's 50.01% equity interest in POS:
  - Pan Orient does not have any direct interest in, or control over, the crude oil reserves or operations of on-shore Concession L53/48. The values at December 31, 2016 identified as "Net to Pan Orient's 50.01% Equity Interest in Pan Orient Energy (Siam) Ltd." represent 50.01% of POS reserves and values.
  - Net to Pan Orient's 50.01% equity interest in POS, proved plus probable crude oil reserves of 570,000 barrels at December 31, 2016 from conventional sandstone reservoirs.
  - Net to Pan Orient's 50.01% equity interest in POS, net present value (after tax) of Thailand proved plus probable crude oil reserves at December 31, 2016, using forecast prices and costs discounted at 10% per year, of Cdn\$13.2 million, or \$0.24 per Pan Orient share based on the current 54.9 million Pan Orient shares outstanding.

#### Summary of Thailand Crude Oil Reserves as of December 31, 2016, as provided by Sproule Net to Pan Orient's 50.01% Interest in Pan Orient Energy (Siam) Ltd.

Marketable Reserves - Company Gross (thousands of barrels)	Light and Medium Oil	Heavy Oil	Total
Proved	228	44	273
Probable	239	58	298
Total Proved plus Probable	468	102	570

#### Summary of Thailand Net Present Values (After Income Tax) as of December 31, 2016, as provided by Sproule Net to Pan Orient's 50.01% Interest in Pan Orient Energy (Siam) Ltd.

Present Value - After Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	8	8	7	6
Probable	8	7	6	5
Total Proved plus Probable	17	15	13	12
Per Pan Orient share (Note)	\$ 0.30	\$ 0.27	\$ 0.24	\$ 0.22

Note: Per share values were calculated based on 54,885,407 Pan Orient shares currently outstanding

#### Summary of Thailand Crude Oil Reserves as of December 31, 2016, as provided by Sproule Pan Orient Energy (Siam) Ltd. (with a 100% working interest in Concession L53/48)

Marketable Reserves - Company Gross (thousands of barrels)	Light and Medium Oil	Heavy Oil	Total
Proved	456	89	545
Probable	479	116	595
Total Proved plus Probable	935	205	1,140

Summary of Thailand Crude Oil Proved plus Probable Reserves as of December 31, 2016, by Major Field as provided by Sproule - Company Gross (thousands of barrels)  
Pan Orient Energy (Siam) Ltd. (with a 100% working interest in Concession L53/48)

Concession	Major Field	Proved	Probable	Proved plus Probable
L53/48	L53A Field	182	126	308
	L53B Field	80	106	185
	L53D Field	166	200	366
	L53G Field	118	163	281
		545	595	1,140

Reconciliation of Changes in Thailand Crude Oil Reserves as of December 31, 2016, as provided by Sproule - Company Gross (Light and Medium Oil and Heavy Oil)

Pan Orient Energy (Siam) Ltd. (with a 100% working interest in Concession L53/48)

(thousands of barrels)	Proved	Probable	Proved plus Probable
December 31, 2015	506	691	1,197
Extensions	-	-	-
Improved Recovery	-	-	-
Technical Revision	228	(94)	134
Discoveries	-	-	-
Acquisitions	-	-	-
Dispositions	-	-	-
Economic Factors	-	(2)	(2)
Production	(189)	-	(189)
December 31, 2016	545	595	1,140

Summary of Thailand Net Present Values (After Income Tax) as of December 31, 2016, as provided by Sproule  
Pan Orient Energy (Siam) Ltd. (with a 100% working interest in Concession L53/48)

Present Value - After Tax (Cdn\$ million)	Undiscounted	5%	10%	15%
Proved	16	15	14	13
Probable	17	14	12	11
Total Proved plus Probable	33	29	26	24

Thailand Concession L53/48 Reserves Evaluation as of December 31, 2016, as provided by Sproule  
Pan Orient Energy (Siam) Ltd. (with a 100% working interest in Concession L53/48)

Notes:

- Pan Orient Energy (Siam) Ltd. is the operator and 100% working interest owner of Concession L53/48. Pan Orient holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. Thailand reserves and values at December 31, 2016 shown as "100% working interest of Pan Orient Energy (Siam) Ltd." represent a 100% working interest in Concession L53/48).
- Reserves volumes reported above are "Company Gross Reserves", a classification of reserves used in the evaluation which represents production and reserves before deduction of royalties.
- The tables shown have assessed reserves at forecast crude oil reference prices & costs.
- The US\$ reference price for crude oil per barrel (US\$ UK Brent per barrel) is \$55.00 for 2017, \$65.00 for 2018, \$70.00 for 2019, \$71.40 for 2020, \$72.83 for 2021 and prices increase at 2.0% per year thereafter.
- Oil revenue for these reserves is based on 83% of the forecast crude oil Brent reference price.
- Tables show assessed reserves with a foreign exchange rate of CDN\$1=US\$0.78 for 2017, CDN\$1=US\$0.82 for 2018, CDN\$1=US\$0.85 thereafter.
- The capital cost inflation rate starting in 2018 is 2.0% per year. The operating expense inflation rate starting in 2018 is 2.0% per year.
- Estimated future undiscounted development costs, in nominal dollars, at December 31, 2016 were Cdn\$6.7 million for proved reserves and Cdn\$11.2 million for proved plus probable reserves.
- Net present values after income tax are after deduction of the SRB (Special Remuneratory Benefit tax) and income tax in Thailand. SRB tax rate is forecast to be zero percent per year based on the forecast oil rates and prices.
- Well abandonment and reclamation costs of Cdn\$3.4 million for the proved plus probable case were included in this report and include abandonment and reclamation costs for all existing and future wells. No allowances for reclamation or salvage value were made.
- The net present values disclosed may not represent fair market value.

12) Totals may not add exactly due to rounding.

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: estimates of reserves and the net present value of those reserves, anticipated future production performance, estimates of future crude oil reference prices and the percentage of those prices received by Pan Orient, and estimates of development costs, foreign exchange rates, inflation rates, taxes and well abandonment and disconnect costs. 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.

Contact

[Pan Orient Energy Corp.](#)

Jeff Chisholm

President and CEO (located in Bangkok, Thailand)

jeff@panorient.ca

Bill Ostlund

Vice President Finance and CFO

(403) 294-1770