



**PAN ORIENT ENERGY CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

March 16, 2021

## Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of the operating and financial results of Pan Orient Energy Corp. ("Pan Orient" or the "Company") is prepared effective March 16, 2021 and should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2020 and December 31, 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Pan Orient is an oil and natural gas company based in Calgary, Alberta, interests in Pan Orient Energy (Siam) Ltd. which has properties onshore Thailand, and interests in Andora Energy Corporation ("Andora") which has properties in northern Alberta, Canada.

Pan Orient holds a 71.8% equity interest in Andora. The accounts of Andora are included in the consolidated financial statements and the 28.2% of non-controlling interest in the net assets of Andora are identified separately from the Company's shareholders' equity.

Pan Orient holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. as a joint arrangement where the Company shares joint control with the 49.99% equity interest holder. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is accounted for using the equity method of accounting where Pan Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of Pan Orient Energy (Siam) Ltd. are recorded in Investment in Thailand Joint Venture.

The undeveloped onshore interests in Indonesian East Jabung Production Sharing Contract ("PSC") expired in January 2020. The operator is determining final steps to be taken for formal approval of the expiry from the Government of Indonesia, including reclamation requirements. An impairment expense for the East Jabung PSC was recorded in the fourth quarter of 2019. The Company is withdrawing from operations in Indonesia. Operations in Indonesia for accounting purposes are considered discontinued operations effective January 1, 2020.

Please note that all amounts are in Canadian dollars unless otherwise stated, translation of items denominated in foreign currencies as at December 31, 2020 into Canadian dollars using December 31, 2020 exchange rates, represent the net amount to Pan Orient's interests unless otherwise stated, and BOPD refers to barrels of oil per day.

## Forward-Looking Statements

This MD&A contains forward-looking information within the meaning of securities laws. Forward-looking statements and information concerning anticipated financial performance are based on management's assumptions using information currently available. Material factors or assumptions used to develop forward-looking information include potential business prospects, growth strategies, the ability to add production and reserves through development and exploration activities, projected capital costs, government legislation, well performance, the ability to market production, the commodity price environment and quality differentials and exchange rates. Although management considers its assumptions to be reasonable based on these factors, they may prove to be incorrect.

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 MD&A includes, but is not limited to, references to: renewal, extension or termination of oil and gas concessions and production sharing contracts; other regulatory approvals; well drilling programs and drilling plans; estimates of reserves and potentially recoverable resources; oil price expectations; information on future production and project start-ups, the expected impact of actions on financial results and intentions with respect to cash balance; potential purchases of common shares under the normal course issuer bid; sufficiency of financial resources; and review of asset portfolio and defining opportunities and strategies. By their very nature, the forward-looking statements contained in this MD&A 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 MD&A 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 reserves 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, changes in demand for oil and gas, the results of commercial negotiations, the timing and outcome of applications for government approvals, 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.

The Company has provided or may provide forward-looking information with respect to reserves and resources estimates related to Thailand and Canada and estimated costs associated with work commitments in Thailand and Canada. Reserves and resources estimates are prepared by independent reservoir engineers and there are numerous uncertainties inherent in estimating quantities of oil and the cash flows to be derived therefrom. In general, estimates of economically recoverable volumes and the associated future net cash flows are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves recovery, timing and amount of capital expenditures, marketability of commodities, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. All such estimates are to some degree speculative, and classifications of reserves and resources volumes are only attempts to define the degree of speculation involved. The Company's actual production, revenues and development and operating expenditures with respect to its reserves and resources estimates will vary from estimates thereof and such variations could be material. The Company's estimated commitments are based on internally-prepared budgets and assumptions and, in the case where a tender process has been completed, actual contracted amounts. The estimated expenditures as provided by management will vary from the actual amounts required to carry out these commitments, and the difference may be significant.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to: commodity price volatility; well performance and marketability of production; transportation and refining availability and costs; exploration and development costs; the recoverability of estimated reserves and resources volumes; the Company's ability to add reserves through development and exploration activities; fluctuations in currency exchange rates; and changes in government legislation and regulations, including royalty and tax laws.

The forward-looking statements contained herein are as of March 16, 2021 and are subject to change after this date. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive and as such undue reliance should not be placed on forward-looking statements. Except as required by applicable securities laws, with the exception of events or circumstances that occurred during the period to which this MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information that was previously disclosed to the public, the Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-IFRS Measures

Management uses and reports certain non-IFRS measures in the evaluation of operating and financial performance. Unless identified as a non-IFRS measure in this section all amounts presented in this MD&A are calculated in accordance with IFRS.

Total corporate adjusted funds flow from (used in) operations is cash flow from (used in) operating activities prior to changes in non-cash working capital, unrealized foreign exchange gain or loss plus the corresponding amount from the Thailand operations which is recorded in Investment in Joint Venture for financial statement purposes and funds flow from (used in) operations from discontinued operations in Indonesia. This measure is used by management to analyze operating performance and leverage. Adjusted 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. Adjusted 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.

The Company's 50.01% equity interest in Pan Orient Energy (Siam) Ltd. is accounted for under the equity method as an Investment in Joint Venture. Adjusted funds flow from Investment in Joint Venture is the Company's net interest of the cash generated from operating activities from continuing operations before changes in non-cash working capital from Pan Orient Energy (Siam) Ltd.

The following table reconciles adjusted funds flow from (used in) operations to cash flow from (used in) operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

(\$thousands)	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Cash flow used in operating activities, continuing operations <sup>(1)</sup>	(597)	(250)	(1,942)	(1,692)
Changes in non-cash working capital, continuing operations <sup>(1)</sup>	(148)	(38)	(529)	(35)
Cash flow used in operating activities, discontinued operations <sup>(1)</sup>	(46)	(88)	(684)	(862)
Changes in non-cash working capital, discontinued operations <sup>(1)</sup>	93	(207)	1,079	471
Unrealized foreign exchange loss	(1,009)	(316)	(869)	(1,007)
Share of adjusted funds flow from Investment in Joint Venture	3,235	4,089	12,492	19,984
<b>Total corporate adjusted funds flow from operations</b>	<b>1,528</b>	<b>3,190</b>	<b>9,547</b>	<b>16,859</b>

*(1) Activities of the Company in Indonesia are reported as discontinued operations effective January 1, 2020 and amounts presented in 2019 are updated for comparative purposes.*

Total corporate adjusted funds flow from operations, total corporate adjusted funds flow from operations per barrel and total corporate adjusted funds flow from operations per share (basic and diluted) do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Adjusted 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. All references to total corporate adjusted funds flow from operations throughout this MD&A is cash flow from operating activities prior to changes in non-cash working capital, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand operations which is recorded in Investment in Joint Venture for financial statement purposes and funds flow from (used in) operations from discontinued operations in Indonesia. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves, operations or working capital of on-shore Concession L53. Basic and diluted total corporate adjusted funds flow from operations per share is calculated in the same manner as basic and diluted earnings or loss per share.

The term "field netback" is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS. Pan Orient believes the term provides useful information to investors. "Field netback" is calculated by subtracting royalty, transportation and operating expenses from revenues.

## **Petroleum and Natural Gas Properties**

The Company's interests in principal properties are divided into two distinct groups: 1) partially developed concession located onshore Thailand, held by Pan Orient Energy (Siam) Ltd.; 2) undeveloped Canadian oil sands leases, held by Andora. The undeveloped onshore interests at the East Jabung PSC in Indonesia expired in January 2020 and the operator is determining final steps to be taken for formal approval of the expiry by the Government of Indonesia, including reclamation requirements.

### ***Thailand***

#### **Concession L53**

At December 31, 2020, the Company held a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. which is the operator of and holds a 100% working interest in Concession L53/48 ("Concession L53") in Thailand. Concession L53 is partially developed, has oil production and an active exploration and development program.

Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd. is classified as a Joint Venture under IFRS and accounted for using the equity method. As a jointly controlled Joint Venture, Pan Orient's 50.01% equity interest in the working capital, assets, capital expenditures, liabilities and operations of Pan Orient Energy (Siam) Ltd. are recorded as Investment in Joint Venture. Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd. is the Company's only investment in Thailand.

Pan Orient Energy (Siam) Ltd. holds a 100% interest in Thailand Concession L53, which has oil production, development and exploration operations. Concession L53 is located approximately 60 kilometers west of Bangkok and at December 31, 2020, consisted of 25.46 square kilometers associated with the L53-A, L53-B, L53-D, L53-G, L53-DD and L53-South AA fields that are held through production licenses (with a 20 year primary term ending in 2036 plus an additional 10 year renewal period that can be applied for). The L53-AA field was discovered in 2020 and a 1.86 square kilometer Production Area License was approved on March 12, 2021 by the Government of Thailand. Other than the new L53-AA Production License area, the "reserved area" exploration lands at December 31, 2020 expired on January 7, 2021.

The December 31, 2020 independent reserves evaluation for Thailand on-shore Concession L53 was prepared for Pan Orient Energy (Siam) Ltd., which is the operator and has a 100% working interest. The evaluation was conducted by Sproule International and was prepared in accordance with Canadian Securities Administrators National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves or operations of on-shore Concession L53. The values at December 31, 2020 identified as "Net to Pan Orient's 50.01% Equity Interest in Pan Orient Energy (Siam) Ltd." represent 50.01% of Pan Orient Energy (Siam) Ltd. reserves and values. Net to Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd., proved plus probable crude oil reserves were 2,377 thousand barrels at December 31, 2020 from conventional sandstone reservoirs. Net to Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd., proved, probable and possible crude oil reserves were 3,423 thousand barrels at December 31, 2020. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

### ***Indonesia***

#### **East Jabung PSC**

Pan Orient holds a 49% non-operated interest in the East Jabung PSC located onshore Sumatra. Pan Orient was awarded the 6,227.72 square kilometers East Jabung PSC in 2011 and relinquished approximately 3,280 square kilometers of the East Jabung PSC's offshore area in 2014. A 440 kilometer 2D seismic program was completed in 2014. On June 1, 2015, Pan Orient completed a farm-out of a 51% participating interest and operatorship of the East Jabung PSC to a subsidiary of Repsol S.A. Pan Orient received an upfront cash payment of USD\$8 million, a firm commitment by the farmee to fund the first USD\$10.3 million towards the first exploration well and a contingent commitment to fund the first USD\$5.1 million towards an appraisal well, if justified.

In 2017, the Ayu-1X and Elok-1X wells were drilled but did not encounter commercial hydrocarbons. Drilling of the Ayu-1X and Elok-1X exploration wells satisfied the East Jabung PSC firm commitment of two exploration wells to be drilled prior to the expiry of the six year exploration phase. On January 11, 2019, the East Jabung PSC received approval for a four year exploration extension period of the PSC to January 20, 2023. The final remaining East Jabung PSC area after the extension is 1,245.56 square kilometers, representing 20% of the original PSC area. During the four year exploration extension period, the joint venture has the option of exiting or continuing with the East Jabung PSC on an annual basis. The Anggun-1X exploration well was drilled in the fourth quarter of 2019 but did not encounter commercial hydrocarbons. The operator of the East Jabung PSC has provided notice to the Government of Indonesia of withdrawal from the East Jabung PSC and is determining final steps to be taken for formal approval of the expiry from GOI, including reclamation requirements. Pan Orient is withdrawing from operations in Indonesia and the office in Jakarta was closed on March 31, 2020. Activities of the Company in Indonesia are reported in 2020 as discontinued operations.

### ***Canada***

Andora is a private oil company, in which Pan Orient has a 71.8% ownership. As at December 31, 2020, Andora has interests in 39 sections (22.7 net sections) of Sawn Lake Alberta Crown oil sands within the central Alberta Peace River Oil Sands area. Andora is focused on developing the bitumen resources at the Sawn Lake property using steam assisted gravity drainage ("SAGD") development.

The Sawn Lake property is in a pre-commercial stage and the commercial viability of the SAGD recovery process at Sawn Lake has not yet been established. No proved or probable reserves were assigned at December 31, 2020.

In early 2020 there was a severe decline in crude oil prices due to geopolitical events and the collapse of global demand for crude oil and related products resulting from COVID-19. This resulted in dramatically lower prices for heavy oil and bitumen, and deterioration in the economics for commercial expansion at Sawn Lake, and as a result, in that market there was no expected commercial development at Sawn Lake. An impairment expense of \$85.8 million was recorded for the Sawn Lake interests and related capitalized costs in the first quarter of 2020. The Company will continue to monitor bitumen prices and other factors influencing the timing and extent of potential future SAGD development at Sawn Lake.

Andora is the operator of five oil sands leases with 27 gross sections (21.5 net sections) at Sawn Lake, where it has a working interest of either 50% or 100%, as at December 31, 2020. Andora is working to formerly relinquish three oil sands leases operated by another company with 12 gross sections (1.2 net sections), where Andora is a non-operator with a 10% working interest, and for which no contingent resources had been assigned in the September 30, 2019 Contingent Resources Report.

A SAGD demonstration project at Sawn Lake commenced in 2013 and is located in the Central Block of Sawn Lake where Andora is the operator and holds a 50% working interest. The demonstration project consisted of one SAGD well pair drilled to a depth of 650 meters and a horizontal length of 780 meters and the SAGD facility for steam generation, water handling and bitumen treating. Steam injection commenced in May 2014 and produced bitumen from September 2014 to February 2016. The demonstration project successfully captured the key data associated with the objectives of the demonstration project and operations were suspended at the end of February 2016. The demonstration project has proven 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, instantaneous steam-oil ratio ("ISOR"), and provided critical information required for well and facility design associated with any future commercial development. 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.

Regulatory approval was received on December 5, 2017 for potential commercial expansion to 3200 BOPD at the Sawn Lake, Alberta SAGD project (in which Andora has a 50% working interest and is the operator) using Andora's proprietary Produced Water Boiler.

Summarized financial information with respect to Andora is as follows:

Andora Energy Corporation (\$thousands)	As at and for the Three months ended December 31		As at and for the Year ended December 31	
	2020	2019	2020	2019
Total assets	<b>1,231</b>	85,197	<b>1,231</b>	85,197
Total liabilities	<b>4,842</b>	9,291	<b>4,842</b>	9,291
Adjusted funds flow used in operations	<b>(326)</b>	(49)	<b>(744)</b>	(227)
Net income (loss)	<b>(453)</b>	(84)	<b>(79,554)</b>	628

## Financial and Operating Summary

(thousands of Canadian dollars except where indicated)

	Three Months Ended December 31,		Year Ended December 31,		% Change
	2020	2019	2020	2019	
<b>FINANCIAL</b>					
<b>Financial Statement Results – Excluding 50.01% Interest in Thailand Joint Venture (Note 1)</b>					
Net loss attributed to common shareholders	(417)	(26,856)	(59,631)	(25,304)	136%
Per share – basic and diluted	\$ (0.01)	\$ (0.49)	\$ (1.13)	\$ (0.46)	136%
Cash flow used in operating activities (Note 2 & 3)	(597)	(250)	(1,942)	(1,692)	15%
Per share – basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.03)	15%
Cash flow from (used in) investing activities (Note 2 & 3)	(26)	5,809	6,984	(5,026)	39%
Per share – basic and diluted	\$ 0.00	\$ (0.01)	\$ 0.13	\$ 0.09	39%
Cash flow used in financing activities (Note 2 & 3)	(225)	(675)	(1,733)	(585)	196%
Per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.01)	196%
Change in cash and cash equivalents from discontinued operations (Note 3)	(46)	(7,386)	(795)	(8,593)	-91%
Working capital	22,968	21,554	22,968	21,554	7%
Working capital & non-current deposits	23,577	22,158	23,577	22,158	6%
Long-term debt	-	-	-	-	0%
Shares outstanding (thousands)	51,744	54,496	51,744	54,496	-5%
Capital Commitments (Note 4)	801	719	801	719	11%
<b>Working Capital and Non-current Deposits</b>					
Beginning of period – Excluding Thailand Joint Venture	26,411	32,458	22,158	33,139	-33%
Adjusted funds flow used in continuing operations (Note 3 & 6)	(1,754)	(602)	(3,340)	(2,733)	22%
Adjusted funds flow from (used in) discontinued operations (Note 3)	47	(296)	395	(392)	-201%
Issuance of common shares	-	-	-	222	-100%
Consolidated capital expenditures (Note 7)	-	(8,433)	(85)	(12,833)	-99%
Amounts advanced to Thailand Joint Venture	(25)	(7)	(43)	(519)	-92%
Dividend received from Thailand Joint Venture	-	-	7,112	6,624	7%
Finance lease payments	(3)	(47)	(139)	(130)	7%
Normal course issuer bid	(222)	(671)	(1,705)	(798)	114%
Effect of foreign exchange	(877)	(244)	(776)	(422)	84%
End of period - Excluding Thailand Joint Venture	23,577	22,158	23,577	22,158	6%
Pan Orient 50.01% interest in Thailand Joint Venture Working Capital and Non-Current Deposits	4,875	10,493	4,875	10,493	-54%
<b>Economic Results – Including 50.01% Interest in Thailand Joint Venture</b>					
Total corporate adjusted funds flow from (used in) operations by region (Note 6)					
Canada	(1,745)	(593)	(3,310)	(2,692)	23%
Thailand (Note 8)	(9)	(9)	(30)	(41)	-29%
From continuing operations	(1,754)	(602)	(3,340)	(2,733)	22%
Indonesia – Discontinued Operations	47	(296)	395	(392)	-201%
Adjusted funds flow used in operations (excl. Thailand Joint Venture)	(1,707)	(898)	(2,945)	(3,125)	-6%
Share of Thailand Joint Venture (Note 1 & 5)	3,235	4,089	12,492	19,984	-37%
Total corporate adjusted funds flow from operations	1,528	3,191	9,547	16,859	-43%
Per share – basic and diluted	\$ 0.03	\$ 0.06	\$ 0.18	\$ 0.31	-42%
<b>Capital Expenditures – Petroleum and Natural Gas Properties (Note 7)</b>					
Canada	-	205	85	604	-86%
Indonesia – Discontinued Operations	-	8,228	-	12,229	-100%
Consolidated capital expenditures (excl. Thailand Joint Venture)	-	8,433	85	12,833	-99%
Share of Thailand Joint Venture capital expenditures	1,644	2,872	10,248	9,113	12%
Total capital expenditures (incl. Thailand Joint Venture & discontinued ops)	1,644	11,305	10,333	21,946	-53%
<b>Investment in Thailand Joint Venture</b>					
Beginning of period	26,809	32,898	34,127	34,504	-1%
Net income from Joint Venture	1,294	1,186	1,906	4,890	-61%
Other comprehensive gain (loss) from Joint Venture	201	37	(635)	839	-176%
Dividend paid	-	-	(7,112)	(6,624)	7%
Amounts advanced to Joint Venture	25	7	43	519	-92%
End of period	28,329	34,128	28,329	34,128	-17%

	Three Months Ended December 31,		Year Ended December 31,		% Change
	2020	2019	2020	2019	
<i>(thousands of Canadian dollars except where indicated)</i>					
<b>Thailand Operations</b>					
<b>Economic Results – Including 50.01% Interest in Thailand Joint Venture (Note 5)</b>					
Oil sales (bbls)	137,137	113,324	444,020	386,877	15%
Average daily oil sales (BOPD) by Concession L53	1,491	1,232	1,213	1,060	14%
Average oil sales price, before transportation (CDN\$/bbl)	\$ 56.95	\$ 62.64	\$ 54.18	\$ 74.65	-27%
Reference Price (volume weighted) and differential					
Crude oil (Brent \$US/bbl)	\$ 44.62	\$ 63.32	\$ 41.73	\$ 63.91	-35%
Exchange Rate \$US/\$Cdn	1.32	1.34	1.35	1.35	0%
Crude oil (Brent \$Cdn/bbl)	\$ 58.71	\$ 84.96	\$ 56.16	\$ 86.48	-35%
Sale price / Brent reference price	97%	74%	96%	86%	12%
Adjusted funds flow from (used in) operations (Note 6)					
Crude oil sales	7,810	7,099	24,055	28,882	-17%
Government royalty	(419)	(369)	(1,252)	(1,503)	-17%
Transportation expense	(314)	(272)	(1,005)	(934)	8%
Operating expense	(1,094)	(846)	(3,424)	(2,385)	44%
Field netback	5,983	5,612	18,374	24,060	-24%
General and administrative expense (Note 8)	(306)	(299)	(968)	(953)	1%
Interest income	1	21	7	43	-81%
Foreign exchange gain	4	23	46	68	-32%
Current income tax	(2,456)	(1,277)	(4,997)	(3,275)	53%
Thailand - Adjusted funds flow from operations	3,226	4,080	12,462	19,943	-38%
Adjusted funds flow from (used in) operations / barrel (CDN\$/bbl) (Note 6)					
Crude oil sales	\$ 56.95	\$ 62.64	\$ 54.18	\$ 74.65	-27%
Government royalty	(3.06)	(3.26)	(2.82)	(3.88)	-27%
Transportation expense	(2.29)	(2.40)	(2.26)	(2.41)	-6%
Operating expense	(7.98)	(7.47)	(7.71)	(6.16)	25%
Field netback	\$ 43.63	\$ 49.52	\$ 41.38	\$ 62.19	-33%
General and administrative expense (Note 8)	(2.22)	(2.64)	(2.18)	(2.46)	-11%
Interest Income	0.01	0.19	0.02	0.11	-86%
Foreign exchange gain	0.03	0.20	0.10	0.18	-42%
Current income tax	(17.91)	(11.27)	(11.25)	(8.47)	33%
Thailand – Adjusted funds flow from operations	\$ 23.54	\$ 36.00	\$ 28.07	\$ 51.55	-46%
Government royalty as percentage of crude oil sales	5%	5%	5%	5%	0%
Income tax & SRB as percentage of crude oil sales	31%	18%	21%	11.3%	0%
As percentage of crude oil sales					
Expenses - transportation, operating, G&A and other	22%	19%	22%	14%	8%
Government royalty, SRB and income tax	37%	23%	26%	17%	9%
Adjusted funds flow from operations, before interest income	41%	57%	52%	69%	-17%
Wells drilled					
Gross	1	1	8	7	14%
Net	0.5	0.5	4.0	3.5	14%
<b>Financial Statement Presentation</b>					
<b>Results – Excl. 50.01% Interest in Thailand Joint Venture (Note 1)</b>					
General and administrative expense (Note 8)	(9)	(9)	(30)	(41)	-29%
Adjusted funds flow used in consolidated operations	(9)	(9)	(30)	(41)	-29%
Adjusted fund flow included in Investment in Thailand Joint Venture					
Net income from Thailand Joint Venture	1,294	1,186	1,906	4,890	-61%
Add back non-cash items in net income	1,941	2,903	10,586	15,094	-30%
Adjusted funds flow from Thailand Joint Venture	3,235	4,089	12,492	19,984	-37%
Thailand – Economic adjusted funds flow from operations (Note 5)	3,226	4,080	12,462	19,943	-38%

	Three Months Ended December 31,		Year Ended December 31,		% Change
	2020	2019	2020	2019	
<i>(thousands of Canadian dollars except where indicated)</i>					
<b>Canada Operations</b>					
Interest income	19	119	220	397	-45%
General and administrative expenses (Note 8)	(546)	(397)	(2,070)	(2,082)	-1%
Operating expense (Note 9)	(54)	-	(210)	-	
Stock based compensation on restricted share units (note 10)	(156)	-	(383)	-	
Realized foreign exchange gain (Note 11)	1	1	2	1	100%
Unrealized foreign exchange loss (loss) (Note 11)	(1,009)	(316)	(869)	(1,008)	-14%
Canada – Adjusted funds flow used in operations	(1,745)	(593)	(3,310)	(2,692)	23%
<b>Indonesia – Discontinued Operations</b>					
General and administrative expense (Note 8)	(61)	(274)	(284)	(442)	-36%
Recovery of impairment expense (Note 12)	1	-	675	-	0%
Unrealized foreign exchange gain (loss)	107	(22)	4	50	-92%
Indonesia – Adjusted funds flow from (used in) operations	47	(296)	395	(392)	201%

	Year Ended December 31,		% Change
	2020	2019	
<i>(thousands of Canadian dollars except where indicated)</i>			
<b>RESERVES AND CONTINGENT RESOURCES</b>			
Onshore Thailand – Concession L53 (50.01% economic interest) (Note 1)	(Note 14)	(Note 13)	
Proved oil reserves (thousands of barrels)	1,418	618	129%
Proved plus probable oil reserves (thousands of barrels)	2,377	1,834	30%
Net present value of proved + probable reserves, after tax discounted at 10%	38,888	43,690	-11%
Per Pan Orient share – basic (Note 15)	\$ 0.75	\$ 0.80	-6%
Canada (Pan Orient's 71.8% share of the oil sands leases of Andora at Sawn Lake, Alberta)	(Note 16)		

#### INTERNATIONAL INTERESTS AT DECEMBER 31, 2020

<i>All amounts reflect Pan Orient's economic interest</i>	Status	Net Square Kilometers	December 31, 2020 Financial Commitments (Cdn thousands)	2020 Avg. Production (BOPD)	P+P Reserves (thousands of barrels)
<u>Onshore Thailand Concession (Recorded in Investment in Joint Venture)</u>					
L53/48 (Pan Orient 50.01% ownership in Pan Orient Energy (Siam) Ltd. (Note 1 & 17))	Partially developed	119	-	1,213	2,377
<u>Onshore Indonesia PSC (Consolidated subsidiary)</u>					
East Jabung PSC, South Sumatra (49% interest & non-operator) (Note 3)	Expired	-	-	-	-
		119	-		

- Pan Orient holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. as a joint arrangement where the Company shares joint control with the 49.99% equity interest holder. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is accounted for using the equity method of accounting where Pan Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of Pan Orient Energy (Siam) Ltd. are recorded in Investment in Thailand Joint Venture.
- As set out in the Consolidated Statements of Cash Flows in the Consolidated Financial Statements of Pan Orient Energy Corp.
- The East Jabung Production Sharing Contract ("PSC") expired in January 2020 and the operator is determining final steps to be taken for formal approval of the expiry from the Government of Indonesia, including reclamation requirements. Pan Orient is withdrawing from operations in Indonesia and the office in Jakarta was closed March 31, 2020. For accounting purposes, the operation in Indonesia for accounting purposes is considered a discontinued operation for 2020 onwards and the amounts presented for 2019 have been updated for comparative purposes.
- Refer to Commitments note disclosure of the December 31, 2020 and December 31, 2019 Consolidated Financial Statements.
- For the purpose of providing more meaningful economic results from operations for Thailand, the amounts presented include 50.01% of results of the Thailand Joint Venture. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves, operations or working capital of on-shore Concession L53.
- Total corporate adjusted funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand Joint Venture which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Adjusted 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. Adjusted 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.

- (7) Cost of capital expenditures excluded decommissioning costs, the impact of changes in foreign exchange.
- (8) General & administrative expenses excluding non-cash accretion expense. The nominal amount of G&A shown in the three months and years ended December 31, 2020 and 2019 for Thailand operations related to G&A of the holding company of Pan Orient Energy (Siam) Ltd.
- (9) Operating expense related to Andora's suspended demonstration project facility and wellpair at Sawn Lake Central. These expenses were previously capitalized prior to the E&E impairment recorded during the first quarter of 2020.
- (10) On May 19, 2020, the Company granted 1,050,000 restricted share units ("RSUs") to directors, senior management, employees and consultant. The amount represents the stock-based compensation expenses.
- (11) Realized and unrealized foreign exchange gain or loss mainly related to the U.S. dollars denominated cash balances held in Canada.
- (12) Adjustment to previously booked capital expenditures at East Jabung PSC.
- (13) Thailand reserves as at December 31, 2019 as evaluated by Sproule International Limited of Calgary assessed at forecast crude oil reference prices and costs. The US\$ reference price for crude oil per barrel (US\$ UK Brent per barrel) in the evaluation is \$65.00 for 2020, \$68.00 for 2021, \$70.00 for 2022, \$71.40 for 2023, \$72.83 for 2024 and prices increase at 2.0% per year thereafter. Foreign exchange rate used of Cdn\$1=US\$0.76 for 2020, Cdn\$1=US\$0.77 for 2021 and Cdn\$1=US\$0.80 thereafter. The engineered values disclosed may not represent fair market value.
- (14) Thailand reserves as at December 31, 2020 as evaluated by Sproule International Limited of Calgary assessed at forecast crude oil reference prices and costs. The US\$ reference price for crude oil per barrel (US\$ UK Brent per barrel) in the evaluation is \$48.00 for 2021, \$50.00 for 2022, \$55.00 for 2023, \$56.10 for 2024, \$57.22 for 2025 and prices increase at 2.0% per year thereafter. Foreign exchange rate used of Cdn\$1=US\$0.77. The engineered values disclosed may not represent fair market value.
- (15) Per share values calculated based on 51,744,007 and 54,496,007 Pan Orient Shares outstanding at December 31, 2020 and 2019, respectively.
- (16) The evaluation of Andora's contingent resources of the oil sands project at Sawn Lake Alberta, Canada as at September 30, 2019 was conducted by Sproule Associates Limited. Andora's unrisks "Best Estimate" contingent resources were 227.8 million barrels (163.6 million net to Pan Orient's interest in Andora) of recoverable bitumen as at September 30, 2019 using forecast prices at September 30, 2019. At March 31, 2020 low commodity prices indicated there was no expected commercial development at Sawn Lake in that market and Andora recorded a full non-cash net impairment charge on the Sawn Lake Exploration and Evaluation assets.
- (17) At December 31, 2020 Concession L53/48 in Thailand consisted of 25.46 square kilometers associated with the L53-A, L53-B, L53-D, L53-G, L53-DD and L53-South AA fields held through production licenses (with a 20 year primary term ending in 2036 plus an additional 10 year renewal period that can be applied for). The L53-AA field was discovered in 2020 and a 1.86 square kilometer Production License was approved March 12, 2021 by the Government of Thailand. Other than the new L53-AA Production License area, the "reserved area" exploration lands at December 31, 2020 expired on January 7, 2021.
- (18) Tables may not add due to rounding.

## HIGHLIGHTS

### Thailand (Pan Orient's 50.01% equity interest in the Thailand Joint Venture)

- 2020 oil sales increased 14% and proved and probable reserves increased 30% through additions at the L53-DD field and discovery of the L53-AA field.
  - The L53-DD6ST2, L53-DD8, L53-DD7 and L53-DD9 appraisal wells in the L53-DD field were drilled and brought onto production in 2020. Net to Pan Orient's 50.01% equity interest, these four wells had oil sales of 798 BOPD in the fourth quarter. The L53-DD8 well was converted to a water disposal well for the L53-DD field in December 2020.
  - Discovery of the L53AA field with the L53-AA2 exploration well in the first quarter of 2020 added 3,001 barrels of oil sales in 2020 during the 90-day production test and has been assigned proved plus probable reserves of 21,500 barrels at December 31, 2020, net to Pan Orient's 50.01% equity interest. The L53-AA Production License of 1.86 square kilometers was approved March 12, 2021 by the Government of Thailand and the L53-AA2 well restarted March 16, 2021.
  - The L53-AA1, L53-AAST1 sidetrack and L53-BB1ST1 exploration wells were abandoned.
- Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, oil sales from Concession L53 were 1,213 BOPD in 2020, an increase of 14% from 1,060 in 2019. With the L53-DD7, L53-DD8 and L53-AA2 wells brought onto production starting in September, and L53-DD9 in November, oil sales increased to 1,491 BOPD in the fourth quarter of 2020.
- Adjusted Thailand funds flow from operations of \$12.5 million in 2020 (\$28.07 per barrel), with \$3.2 million (\$23.53 per barrel) in the fourth quarter. During 2020, the realized price of Concession L53 crude oil was lower by 27% as the Brent reference price declined 35% but the realized price averaged 96% of the Brent reference price compared to 86% in 2019 (resulting from a new oil sales contract). The monthly Brent reference price largely recovered from a low of US\$18.38 in April 2020 to US\$49.99 in December 2020.
- Despite weaker oil prices in early 2020, Thailand had adjusted funds flow from operations of \$12.5 million in 2020 to fund \$10.2 million of Thailand exploration and development activities. In addition, the Thailand Joint Venture paid two dividends to Pan Orient in 2020 totaling \$7.1 million and Pan Orient's share of working capital and long-term deposits in Thailand at December 31, 2020 was \$5.0 million.
- December 31, 2020 reserve report assigned proved plus probable crude oil reserves of 2.4 million barrels, net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture (an increase of 30%) with an after tax net present value using forecast prices and costs discounted at 10% per year of \$38.9 million (an 11% decrease). The 11% decrease in the net present value is the result of the 30% increase in proved plus probable reserves (primarily at the L53-DD field) more than offset by a 17% decrease in forecast oil sales prices.

### Indonesia East Jabung Production Sharing Contract (Pan Orient is non-operator with a 49% ownership interest)

- The operator of the East Jabung Production Sharing Contract ("PSC") provided notice to the Government of Indonesia in January 2020 of withdrawal from the East Jabung PSC and is determining final steps to be taken for formal approval of the expiry from the Government of Indonesia, including reclamation requirements. Pan Orient is withdrawing from operations in Indonesia and the office in Jakarta was closed March 31, 2020.
- Activities of the Company in Indonesia are reported in 2020 as discontinued operations. Discontinued operations in Indonesia for 2020 were \$284 thousand of G&A expense, \$4 thousand in realized and unrealized foreign exchange gains on currency exchange rates since the end of 2019 and a \$675 thousand recovery of exploration expense resulting from adjustment of previously booked capital expenditures at the East Jabung PSC.

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

- Significantly lower prices for heavy oil and bitumen in early 2020 due to geopolitical events and the collapse of global demand for crude oil resulting from COVID-19, and the associated deterioration in the economics for commercial expansion at Sawn Lake, indicated there is no expected commercial development at Sawn Lake in that market. The Company reported a non-cash net impairment charge of \$80.2 million, \$57.6 million attributable to common shareholders of Pan Orient, on Sawn Lake Exploration and Evaluation assets at March 31, 2020.
- After the impairment of Sawn Lake recorded at March 31, 2020, no operating expenses or G&A are capitalized. For the second, third and fourth quarters of 2020, Pan Orient reports total operating expense of \$210 thousand associated with the Sawn Lake suspended SAGD facility and wellpair.
- Andora is actively reviewing alternatives to move the Sawn Lake project forward with minimum development costs to Andora, including partnership or outright sale, and achieve value for Andora and Pan Orient shareholders.

### Corporate

- Total 2020 corporate adjusted funds flow from operations (including Pan Orient's 50.01% equity interest in the Thailand Joint Venture) of \$9.5 million (\$0.18 per share), with \$1.5 million (\$0.03 per share) in the fourth quarter of 2020. The decrease from \$2.4 million (\$0.05 per share) in the third quarter of 2020 is largely due to an unrealized foreign exchange loss in Canada on cash holdings denominated in US dollars and more Thailand income subject to Thailand income tax for the Thailand Joint Venture.
- The 2020 loss attributable to common shareholders was \$59.6 million (\$1.13 loss per share), with a net \$57.6 million impairment charge for the Sawn Lake, Alberta Exploration and Evaluation assets at March 31, 2020 and \$1.7 million loss attributable to other operations. The loss attributable to common shareholders for the fourth quarter of 2020 was \$0.4 million (\$0.01 loss per share).

- Pan Orient repurchased 2,752,000 common shares in 2020 at an average price of \$0.62 per share. In 2021, the Company has repurchased an additional 1,099,500 shares to March 17, 2021, at an average price of \$0.84 per share.
- Pan Orient retains a strong financial position with working capital and non-current deposits of \$23.6 million and no long-term debt at December 31, 2020. In addition, the Thailand Joint Venture has \$4.9 million in working capital and long-term deposits, net to Pan Orient's 50.01% equity interest, and Thailand funds flow from operations are expected to fund remaining development activities at Concession L53.

## OUTLOOK

### THAILAND

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

A two to three well appraisal drilling program has commenced with the L53-DD10 well that has just completed drilling. L53-DD10 is expected to be on long-term production upon completion of the two to three well appraisal drilling program. The L53-DD12 appraisal well has just commenced drilling and will tentatively be followed by the L53-DD11 appraisal well. It is anticipated this appraisal drilling program will solidify production through 2021.

Nearing the completion of the planned appraisal drilling program anticipated in April 2021, the Company will be in a position to best determine the future of the Thailand asset that would maximize shareholder value. The Company maintains a very favorable view of the current Thailand fiscal terms, operating environment and exploration potential that will be available in future onshore licensing rounds.

### CANADA

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

In 2020, Andora actively reviewed a range of alternatives to move the Sawn Lake project forward with minimum development costs to Andora, including partnership or outright sale to achieve value for Andora and Pan Orient shareholders. Despite the wire-down in the first quarter of 2020, the current oil price environment, should it hold at these levels, provides strong economic support to the various options of monetizing or progressing this project.

#### COVID-19 Coronavirus

The operations in Thailand of Pan Orient Energy (Siam) Ltd. ("POS") continue to be somewhat affected by the worldwide COVID-19 coronavirus pandemic. The Thailand government imposed a state of emergency in late March 2020, giving it wide-ranging powers to address the crisis. Domestic travel restrictions have now been eased but restrictions on foreigners entering Thailand remain in effect. Overall, the infection and death rate has been much lower in Thailand than in most western nations.

Prudent measures have been taken by POS to help protect the health and safety of staff, which are of paramount importance. Fortunately, POS in Thailand has able to complete its 2020 drilling program and is proceeding with its 2021 Thailand drilling program. POS and Pan Orient are well-positioned to withstand these unprecedented events. The Company is optimistic about a return to normal operations and less volatile market conditions but the outlook for world oil prices remains somewhat uncertain.

## Net income from Thailand Joint Venture

The Company holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. ("POS"), which is considered a Joint Venture under IFRS and is accounted for using the equity method. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves, operations or working capital of Concession L53. Distributions received from the joint venture reduce the carrying amount of the investment whereas funding to the joint venture increases the carrying amount. The Company's profit or loss includes its share of the joint venture's profit or loss and the Company's other comprehensive income or loss includes its share of the joint venture's other comprehensive income or loss.

Income from Joint Venture Pan Orient Energy (Siam) Ltd. (Net to Pan Orient 50.01%)	Three months ended December 31				Year ended December 31			
	2020		2019		2020		2019	
	\$000s	\$ per bbl	\$000s	\$ per bbl	\$000s	\$ per bbl	\$000s	\$ per bbl
Crude oil revenue	7,810	56.95	7,099	62.64	24,055	54.18	28,882	74.65
Government royalty	(419)	(3.06)	(369)	(3.26)	(1,252)	(2.82)	(1,503)	(3.88)
Transportation expense	(314)	(2.29)	(272)	(2.40)	(1,005)	(2.26)	(934)	(2.41)
Production and Operating expense	(1,094)	(7.98)	(846)	(7.47)	(3,424)	(7.71)	(2,385)	(6.16)
Field netback	5,983	43.63	5,612	49.52	18,374	41.38	24,060	62.19
General and administrative	(297)	(2.17)	(290)	(2.56)	(938)	(2.11)	(912)	(2.36)
Foreign exchange gain	3	0.03	23	0.20	46	0.10	68	0.18
Interest income	1	0.01	21	0.19	7	0.02	43	0.11
Current income tax expense	(2,456)	(17.91)	(1,277)	(11.27)	(4,997)	(11.25)	(3,275)	(8.47)
Adjusted funds flow from operations	3,234	23.59	4,089	36.08	12,492	28.13	19,984	51.65
Depletion, depreciation and amortization	(2,474)	(18.04)	(2,395)	(21.13)	(9,276)	(20.89)	(9,025)	(23.33)
Accretion	(10)	(0.07)	(17)	(0.15)	(34)	(0.08)	(54)	(0.14)
Exploration expense recovery	-	-	9	0.08	-	-	9	0.02
Deferred tax recovery (expense)	831	6.06	(220)	(1.94)	(90)	(0.20)	(4,853)	(12.54)
Net income	1,581	11.54	1,466	12.94	3,092	6.96	6,060	15.66
Amortization of fair value adjustment	(287)	(2.09)	(280)	(2.47)	(1,186)	(2.67)	(1,170)	(3.02)
Net income from Joint Venture	1,294	9.45	1,186	10.47	1,906	4.29	4,890	12.64

Note: Tables may not add due to rounding

### Crude oil revenue earned within Thailand Joint Venture, net to Pan Orient 50.01% equity interest

Oil sales from Concession L53 in Thailand averaged 1,491 and 1,213 BOPD during the three months and year ended December 31, 2020 compared to 1,232 and 1,060 BOPD during the three months and year ended December 31, 2019. Oil production was higher in 2020 than in 2019 in both comparative periods primarily due to the L53-DD6ST2, L53-DD8, L53-DD7 and L53-DD9 appraisal wells in the L53-DD field were drilled and brought onto production in 2020.

Oil sales revenue from Concession L53 was \$7.8 million and \$24.1 million for the three months and year ended December 31, 2020 compared to \$7.1 million and \$28.9 million during the same periods of 2019. Oil revenue for the three months ended December 31, 2020 were higher than in 2019 due to higher production offset by lower realized prices. The realized price per barrel was \$56.95 and \$54.18 for the three months and year ended December 31, 2020 compared to \$62.64 and \$74.65 during the same comparative periods in 2019. The realized sales price from the Thailand Joint Venture was 97% and 96% of the Brent reference price during the three months and year ended December 31, 2020, respectively.

### Royalties expense incurred within Thailand Joint Venture, net to Pan Orient 50.01% equity interest

Royalties on Concession L53 are paid to the Thailand government and are based on production volumes per concession ranging from 5% on production of less than 2,000 BOPD to 15% on production over 20,000 BOPD.

### Production and operating expense incurred within Thailand Joint Venture, net to Pan Orient 50.01% equity interest

Production and operating expense was \$1.1 million (\$7.98 per barrel) in the fourth quarter of 2020 compared to \$0.8 million (\$7.47 per barrel) in the fourth quarter of 2019. Higher production costs mainly attributed to high costs for water hauling. The L53-DD8 well was converted to a water disposal well for the L53-DD field in December 2020 to lower water hauling costs.

### Tax expense incurred within Thailand Joint Venture, net to Pan Orient 50.01% equity interest

Petroleum income tax in Thailand Joint Venture is 50% of taxable income which is calculated based on adjusted funds flow from operations less capital expenditures (deductible at varying rates), special remuneratory benefit tax ("SRB"), and other permitted deductions. The Thailand operations became taxable since the third quarter of 2019 as cashflow from operations and realized foreign exchange gains exceeded available tax pools.

Thailand SRB is a tax at sliding scale rates of 0 - 75% applied on a concession-by-concession basis to petroleum profits as defined in Thai tax legislation which includes deductions for expenses and capital spent. The rate is principally determined by revenue for the concession (production and pricing) but is subject to other adjustments such as changes in Thailand's consumer and wholesale price indices and cumulative meters drilled on the concession. There was no SRB tax paid since inception to date for Concessions L53 and because of the numerous factors involved in the SRB calculation, it is uncertain if SRB will be payable on the concession.

Depletion, Depreciation & Amortization (“DD&A”) incurred within Thailand Joint Venture, net to Pan Orient 50.01% equity interest

Depletion is provided on costs accumulated using the unit-of production method based on an independent engineering estimate of the Thailand Joint Venture’s share of proved plus probable reserves, before royalties. DD&A was \$18.04 and \$20.89 per barrel for the three months and year ended December 31, 2020 compared to \$21.13 and \$23.33 per barrel for the three months and year ended December 31, 2019. On a per barrel basis, the DD&A was overall lower in 2020 than in 2019 due to the increase in proved and probable reserves assigned to the DD oil field.

**General and Administrative (“G&A”) Expenses**

(\$thousands)	Three months ended December 31		Year ended December 31	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>
Canada <sup>(2)(3)(4)</sup>	546	397	2,070	2,082
Thailand (excluding Thailand Joint Venture)	9	9	30	41
G&A expense from continuing operations <sup>(4)</sup>	555	406	2,100	2,123
G&A expense from discontinued operations – Indonesia <sup>(3)(4)</sup>	61	274	284	442
Share of G&A from Thailand Joint Venture <sup>(4)</sup>	297	290	938	912
Total G&A attributable to the economic interests of Pan Orient (including 50.01% interest in Thailand Joint Venture)	913	970	3,322	3,477

(1) Activities of the Company in Indonesia are reported in 2020 as discontinued operations and amounts presented in 2019 have been updated for comparative purposes.

(2) G&A, net of overhead recoveries, represents the portion of Pan Orient’s G&A expenses charged by Andora, as operator, to the Sawn Lake joint venture operations and capital projects. Overhead recoveries were \$28 thousand and \$32 thousand for the years ended December 31, 2020 and 2019, respectively.

(3) Capitalized G&A allocated to capital projects represents compensation and other directly attributable costs associated with property acquisition, and exploration and development activities. Capitalized G&A relates to exploration and development activities at the East Jabung PSC in Indonesia and the Company’s heavy oil demonstration project in Canada. Subsequent to the impairment of these assets, no G&A have been capitalized.

(4) Amounts exclude non-cash accretion expense.

Total G&A, net of recoveries, was lower during the year ended December 31, 2020 than 2019 mainly attributed to lower expense in Indonesia since the office closure on March 31, 2020.

**Capital Expenditures**

	Three months ended December 31				Year ended December 31			
	2020		2019		2020		2019	
	Net wells drilled	Net wells drilled	Net wells drilled	Net wells drilled	Net wells drilled	Net wells drilled	Net wells drilled	Net wells drilled
Capital expenditures <sup>(1)</sup>	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Canada – Continuing operations	-	-	205	-	85	-	604	-
Indonesia – Discontinued operations	-	-	8,228	0.5	-	-	12,229	0.5
Share of Thailand joint venture capital expenditures <sup>(2)</sup>	1,644	0.5	2,872	0.5	10,248	4	9,113	3.5
Total capital expenditures attributable to the economic interest of Pan Orient (including 50.01% interest in Thailand Joint Venture)	1,644	0.5	11,305	1.0	10,333	4	21,946	4.0

(1) Excluded decommissioning costs and the impact of changes in foreign currency translation.

(2) Pan Orient’s 50.01% share of capital expenditures in the Thailand Joint Venture are accounted for using the equity method as an Investment in Joint Venture. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves or operations of on-shore Concession L53.

Canada

Capital expenditures in 2020 for Andora were \$85 thousand for capital expenditures at Sawn Lake, capitalized operating expenses for the suspended demonstration project facility and wellpair at Sawn Lake Central and capitalized G&A. Subsequent to the impairment of Sawn Lake recorded at March 31, 2020, no operating expenses or G&A are capitalized.

Thailand

Capital expenditures related to Thailand Joint Venture were \$10.2 million for 2020. \$7.8 million related to the drilling of 8 wells (4 wells net to Pan Orient) at DD6ST2, AA-2, AA-1, AA1ST1, BB-1, DD-8, DD7 and DD-9 wells. \$2.4 million workover activities for 7 wells completed during 2020, site construction, equipment inventory purchases, capitalized general and administrative expenses and other development activities.

## Liquidity and Capital Resources

Pan Orient's capital program, including the 50.01% share of the Thailand Joint Venture, was \$10.3 million for the year ended December 31, 2020 and was financed from existing working capital and adjusted funds flow from operations, including the Thailand Joint Venture. At December 31, 2020, the Company's working capital plus non-current deposits was \$23.6 million compared to \$22.2 million at December 31, 2019. The Company had estimated outstanding capital commitments of \$0.8 million at December 31, 2020. In addition to Pan Orient's consolidated working capital and non-current deposits, its investment in the Thailand Joint Venture includes \$5.0 million of its share of working capital and non-current deposits and \$2.9 million of equipment inventory to be utilized for future operations of the Thailand Joint Venture.

At December 31, 2020 Pan Orient's consolidated cash and cash equivalents were held in the jurisdictions where the Company operates as follows:

(\$thousands)	December 31, 2020	December 31, 2019
Cash and cash equivalents held in Canada	26,412	24,752
Cash and cash equivalents held in Indonesia	-	15
Consolidated cash and cash equivalents	26,412	24,767

Non-current deposits of \$0.6 million at December 31, 2020 consisted of deposits placed with the Alberta energy regulator in Canada for the interests of Andora at Sawn Lake. The estimated decommissioning provision for Andora at December 31, 2020 for wells and facilities in Canada is \$2.0 million.

## Share Capital

Outstanding (thousands)	March 16, 2021	December 31, 2020	December 31, 2019
Common shares	50,525	51,744	54,496
Stock options	2,935	2,935	5,115
Total	53,460	54,679	59,611

In May 2020, the Company renewed its normal course issuer bid through the TSX-V to continue the ability to purchase its common shares. Under the terms of the bid, Pan Orient is authorized to purchase, for cancellation, up to 4,228,734 of its common shares (10% of the public float), subject to a maximum of 1,059,190 common shares (2% of the 52,959,507 issued and outstanding common shares) during any 30 day period. The ability to purchase common shares under the bid commenced on May 21, 2020 and ends one year after 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.

Pan Orient repurchased 2,752,000 common shares in 2020 at an average price of \$0.62 per share, with 332,500 common shares repurchased in the fourth quarter of 2020 at an average price of \$0.67 per share.

In December 2020, the Company entered into an Automatic Share Purchase Plan ("ASPP"), which permits an independent broker to repurchase shares during certain blackout periods under the Company's normal course issuer bid, subject to agreed trading parameters and other instructions for such purchases. The Company recognized a provision of \$0.9 million in accounts payable and accrued liabilities as at December 31, 2020 as an estimate of the number of shares that may be repurchased during potential blackout periods at the maximum share price under the ASPP.

From January 1, 2021 to March 16 2021, the Company has repurchased 1,219,500 shares at an average price of \$0.85 per share under the normal course issuer bid which included 1,078,000 shares at an average price of \$0.85 per share repurchased under the ASPP.

On May 12, 2020, the Company adopted a long-term incentive plan and on May 19, 2020 granted 1,050,000 restricted share units ("RSUs") to its directors, senior management, employees and consultant. The vesting period of the RSU is one-third 6 months after the grant date (November 19, 2020), one-third 18 months after the grant date (November 19, 2021) and the final one-third 30 months after the grant date (November 19, 2022). The RSUs will be paid out based on the fair market value on each vesting date in cash. Fair market value of shares means (a) the average closing price for such shares on the TSX-V Exchange for the ten trading days on which the shares traded immediately preceding the relevant date or (b) if the Board of Directors specifically so determines, the closing market price for such shares on the TSX-V Exchange on the relevant date.

In November 2020, the Company settled the majority of the vested RSUs in cash for \$0.2 million. As at December 31, 2020, the closing price for the Company's shares on TSX-V Exchange was \$0.78 per share, as a result, an accrued liability (current and non-current) of \$0.2 million was recorded at December 31, 2020.

## Foreign Exchange

The Company's reporting currency is the Canadian dollar and its functional currencies are the Canadian dollar, the Thai baht and the U.S. dollar. In each reporting period, the changes in the values of the Thai baht and U.S. dollar relative to the Company's reporting currency are recognized. The period end rates used to translate the Company's Thai baht and U.S. dollar denominated financial statement items for the reporting periods as specified are as follows:

	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Rate at end of period								
Thai baht / Cdn \$ exchange	23.09	23.27	22.25	22.74	22.70	22.72	23.14	23.35
Cdn \$ / US \$ exchange	1.27	1.33	1.36	1.42	1.30	1.32	1.31	1.34

The Company holds U.S. dollars within Canada to meet U.S. dollar cash requirements of its foreign operations and at December 31, 2020 the Company held \$16.6 million (December 31, 2019: \$12.9 million) denominated in U.S. dollars as cash and cash equivalents.

Thailand Joint Venture operations use Thai baht and Indonesia operations use the U.S. dollar as their functional currencies for reporting. These foreign currencies are translated into Canadian dollars at each reporting period end with the unrealized translation gain or loss recognized in accumulated other comprehensive income ("AOCI").

Accumulated Other Comprehensive Income in the consolidated statement of financial position is reported as follows:

(\$thousands)	Three months ended		Year ended	
	December 31		December 31	
	2020	2019	2020	2019
AOCI, beginning of period	<b>2,067</b>	4,852	<b>2,903</b>	4,578
Foreign currency translation gain (loss) from Thailand Joint Venture	<b>201</b>	36	<b>(635)</b>	838
Foreign currency translation loss from Indonesia – Discontinued operations	-	(378)	-	(906)
AOCI related to impairment of East Jabung PSC, Indonesia	-	(1,607)	-	(1,607)
AOCI, end of period	<b>2,268</b>	2,903	<b>2,268</b>	2,903

## Selected Annual Information

\$thousands, except for per barrel and per share amounts	Years Ended December 31		
	2020	2019	2018
Oil revenue before royalties, included in Thailand Joint Venture <sup>(1)</sup>	24,055	28,882	7,727
Average daily oil sales (BOPD)	1,213	1,060	250
Average oil sales price (Cdn\$/bbl)	\$ 54.18	\$ 74.65	\$ 84.82
Total corporate adjusted funds flow (used in) operations by region <sup>(2)</sup>			
Canada	(3,310)	(2,692)	651
Thailand <sup>(3)</sup>	(30)	(41)	(32)
From continuing operations	(3,340)	(2,733)	619
Indonesia – Discontinued operations	395	(392)	(273)
Share of Thailand Joint Venture	12,492	19,984	5,171
Total corporate adjusted funds flow from operations <sup>(2)</sup>	9,547	16,859	5,517
Per share – basic and diluted	\$ 0.18	\$ 0.31	\$ 0.10
Cash flow used in operating activity continuing operations <sup>(4) (5)</sup>	(1,942)	(1,692)	(1,315)
Per share – basic and diluted	\$ (0.04)	\$ (0.03)	\$ (0.02)
Cash flow used in operating activity discontinued operations <sup>(4) (5)</sup>	(684)	(862)	(1,092)
Per share – basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)
Disposal of petroleum and natural gas assets <sup>(6)</sup>	-	-	133
Net income (loss) attributable to common shareholders			
From continuing operations	(59,904)	2,198	244
From discontinued operations - Indonesia	273	(27,502)	(284)
Net loss attributable to common shareholders	(59,631)	(25,304)	(40)
Per share – basic and diluted	\$ (1.13)	\$ (0.46)	\$ (0.00)
Total assets	56,233	146,656	173,717
Total current liabilities	3,855	4,003	
Total non-current liabilities	2,081	7,253	8,594
Working capital	22,968	21,554	32,546
Working capital plus non-current deposits	23,577	22,158	33,139
Long-term debt	-	-	-
Capital expenditures			
Canada	85	604	897
Indonesia – Discontinued Operations <sup>(5)</sup>	-	12,229	3,359
Share of capital expenditures from Thailand Joint Venture <sup>(1)</sup>	10,248	9,113	3,835
Total capital expenditures	10,333	21,946	8,091
Weighted average shares outstanding			
Basic	52,789	54,958	54,900
Diluted	52,789	54,958	54,900
Shares outstanding			
Basic	51,744	54,496	54,900
Diluted	51,744	54,496	54,900

(1) The Company holds a 50.01% interest in Pan Orient Energy (Siam) Ltd., which is considered a Joint Venture under IFRS and is accounted for using the equity method. Initial recognition of the investment in Joint Venture was recorded at fair value. The carrying amount is subsequently increased or decreased to recognize the Company's share of the profit or loss from the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment whereas funding to the joint venture increase the carrying amount. The Company's profit or loss includes its share of the joint venture's profit or loss and the Company's other comprehensive income includes its share of the joint venture's other comprehensive income or loss.

(2) Total corporate adjusted funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital, decommissioning expenditures, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand Joint Venture which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Adjusted 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. Adjusted 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.

(3) The nominal amount of adjusted fund flow used in operations shown for Thailand operations related to G&A of the holding company of Pan Orient Energy (Siam) Ltd.

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

(5) The East Jabung PSC expired in January 2020 and the operator is determining final steps to be taken for formal approval of the expiry from the Government of Indonesia, including reclamation requirements. Pan Orient is withdrawing from operations in Indonesia and the office in Jakarta was closed March 31, 2020. For accounting purposes, the operation in Indonesia for accounting purposes is considered a discontinued operation for 2020 onwards and the amounts presented for 2019 and 2018 have been updated for comparative purposes.

(6) In 2018, the Sawn Lake joint venture sold some inventory of pipe to outside third party.

## Summary of Quarterly Results

	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Financial (\$thousands) except as indicated <sup>(1)</sup></b>								
Interest revenue	18	69	23	109	119	125	86	67
Cash flow used in operating activity, continuing operations <sup>(2)</sup>	(597)	(355)	(591)	(399)	(251)	(290)	(321)	(832)
Cash flow from (used in) operating activity, discontinued operations <sup>(2)</sup>	(46)	(42)	(181)	(415)	(87)	365	479	(1,617)
Total assets	56,233	56,879	58,967	60,643	146,656	175,126	171,999	170,773
Working capital & non-current deposits	23,577	26,411	24,801	26,386	22,158	32,458	28,902	31,566
Shares outstanding (thousands)	51,744	52,077	52,175	53,400	54,496	55,084	54,837	54,900
Net income (loss) from continuing operations <sup>(3)</sup>	(463)	(1,052)	(1,737)	(56,652)	465	1,210	1,363	(840)
Net income (loss) from discontinued operations <sup>(3)</sup>	46	(11)	703	(465)	(27,321)	(96)	(76)	(9)
Total net income (loss) <sup>(3)</sup>	(417)	(1,063)	(1,034)	(57,117)	(26,856)	1,114	1,287	(849)
Per share basic and diluted (\$)	(0.04)	(0.02)	(0.02)	(1.05)	(0.49)	0.02	0.02	(0.01)
<b>Operations (\$thousands), including share of Thailand Joint Venture</b>								
Daily oil sales (BOPD) net to Pan Orient <sup>(4)</sup>	1,491	1,114	1,060	1,186	1,232	1,418	1,072	507
Total corporate adjusted funds flow from operations <sup>(5)</sup>	1,528	2,410	1,205	4,404	3,191	6,391	5,689	1,588
Capital expenditures <sup>(6)</sup>	1,644	3,410	1,415	3,864	11,305	4,412	2,846	3,383
<b>Total corporate adjusted funds flow from (used in) operations (\$/bbl) <sup>(5)</sup></b>								
Realized crude oil price	56.95	53.38	40.49	63.63	62.64	77.99	81.57	80.17
Royalties	(3.06)	(2.77)	(2.02)	(3.28)	(3.26)	(4.13)	(4.28)	(3.90)
Transportation & operating	(10.27)	(10.24)	(10.16)	(9.19)	(9.87)	(7.16)	(7.33)	(12.11)
Field Netback – Thailand Joint Venture	43.63	40.37	28.31	51.16	49.52	66.69	69.96	64.17
Operating expense - Andora <sup>(7)</sup>	(0.39)	(0.91)	(0.65)	-	-	-	-	-
General and administrative <sup>(8)</sup>	(6.65)	(7.07)	(8.53)	(7.99)	(1.15)	(5.61)	(7.57)	(22.76)
Stock-based compensation expense on restricted share units	(1.14)	(1.48)	(0.78)	-	-	-	-	-
Recovery of exploration expense	0.01	0.02	6.97	-	-	-	-	-
Interest income	0.15	0.67	0.30	1.01	0.64	0.96	1.11	1.47
Foreign exchange gain (loss)	(6.55)	(4.08)	(7.70)	11.51	0.67	2.28	(5.18)	(8.05)
Current income tax expense	(17.91)	(4.00)	(5.42)	(14.90)	(11.27)	(15.32)	-	-
Total corporate adjusted funds flow from operations	11.15	23.52	12.49	40.79	38.41	49.00	58.32	34.83

(1) Amounts presented were set out in the Consolidated Financial Statements of Pan Orient Energy Corp.

(2) Activities of the Company in Indonesia are reported in 2020 as discontinued operations. Amounts presented in 2019 and 2018 are updated for comparative purposes.

(3) Net income (loss) attributed to common shareholders.

(4) Oil revenue generated within the Thailand Joint Venture, net to Pan Orient.

(5) Total corporate adjusted funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand Joint Venture which is recorded in Investment in Joint Venture for financial statement purposes and funds flow from (used in) operations from discontinued operation in Indonesia. This measure is used by management to analyze operating performance and leverage. Adjusted 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. Adjusted 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) Including the 50.01% interest in the Thailand Joint Venture and discontinued operations in Indonesia. Excluding decommissioning costs and impact of change in foreign exchange rates.

(7) Operating expense related to Andora's suspended demonstration project facility and well pair at Sawn Lake Central. These expenses were previously capitalized prior to the E&E impairment recorded during the first quarter of 2020.

(8) General and administrative costs excluding accretion expense on decommissioning costs.

(9) Tables may not add due to rounding.

**Q1 2019** – Total corporate adjusted funds flow from operations of \$1.6 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$2.7 million with average daily oil sales from Concession L53 of 507 BOPD (\$60.35 per barrel) and working capital and long-term deposits at March 31, 2019 of \$6.4 million. Net loss attributable to common shareholders was \$0.8 million (\$0.02 loss per share) for the quarter. Pan Orient had capital expenditures of \$3.3 million in the first quarter of 2019, with \$0.6 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and \$0.1 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was \$2.8 million mainly related to the drilling of the L53-DD3 and L53-DD4 wells, workovers and capitalized general and administrative expense. At March 31, 2019, working capital and non-current deposits (excluding the Thailand Joint Venture) totaled \$31.6 million and the Company had no long-term debt.

**Q2 2019** – Total corporate adjusted funds flow from operations of \$5.7 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$6.7 million with average daily oil sales from Concession L53 of 1,072 BOPD (\$68.16 per barrel) and working capital and long-term deposits at June 30, 2019 of \$11.4 million. Net income attributable to common shareholders was \$1.3 million (\$0.02 per share) for the quarter. Pan Orient had capital expenditures of \$2.8 million in the second quarter of 2019, with \$1.1 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and \$0.1 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was \$1.6 million mainly related to the remaining drilling costs and workover activities at the L53-DD3 and L53-DD4 wells and capitalized general and administrative expense. At June 30, 2019, working capital and non-current deposits (excluding the Thailand Joint Venture) totaled \$28.9 million and the Company had no long-term debt.

**Q3 2019** – Total corporate adjusted funds flow from operations of \$6.4 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$6.4 million with average daily oil sales from Concession L53 of 1,418 BOPD (\$49.56 per barrel) and working capital and long-term deposits at September 30, 2019 of \$9.4 million. Net income attributable to common shareholders was \$1.1 million (\$0.02 per share) for the quarter. Pan Orient had capital expenditures of \$2.5 million in the third quarter of 2019, with \$2.3 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and \$0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was \$1.9 million mainly related to the drilling costs at the L53-DD5, L53-DD5ST1, L53-DD6 and L53-DD6ST1 wells, workover activities and capitalized general and administrative expense. At September 30, 2019, working capital and non-current deposits (excluding the Thailand Joint Venture) totaled \$32.5 million and the Company had no long-term debt.

**Q4 2019** – Total corporate adjusted funds flow from operations of \$3.2 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$4.1 million with average daily oil sales from Concession L53 of 1,232 BOPD (\$36.00 per barrel) and working capital and long-term deposits at December 31, 2019 of \$10.5 million. Net loss attributable to common shareholders was \$26.9 million (\$0.49 loss per share) for the quarter. The Company reported a \$28.6 million impairment charge on East Jabung exploration and evaluation assets offset by the \$1.6 million associated reduction in accumulated other comprehensive income related to foreign currency translation for a net impairment expense of \$27.0 million. Pan Orient had capital expenditures of \$8.4 million in the fourth quarter of 2019, with \$8.2 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and \$0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was \$2.9 million mainly related to the drilling costs at the L53-B1 appraisal well, workover activities and capitalized general and administrative expense. At December 31, 2019, working capital and non-current deposits (excluding the Thailand Joint Venture) totaled \$22.2 million and the Company had no long-term debt.

**Q1 2020** – Total corporate adjusted funds flow from operations of \$4.4 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$3.7 million with average daily oil sales from Concession L53 of 1,186 BOPD (\$34.11 per barrel) and working capital and long-term deposits at March 31, 2020 of \$5.9 million. Net loss attributable to common shareholders was \$57.1 million (\$1.05 loss per share) for the quarter. The Company reported a \$85.8 million on Sawn Lake Exploration and Evaluation assets in the first quarter of 2020 offset by the associated \$5.6 million reduction in deferred tax liabilities for a net impairment expense of \$80.2 million. The net impairment charge of \$80.2 million is reported as \$57.6 million attribution to common shareholders of Pan Orient and \$22.6 million attributable to the non-controlling interest (being the other shareholders of Andora). Pan Orient had capital expenditures of \$85 thousand in the first quarter of 2020 related to capitalized operating expenses for the suspended demonstration project facility and wellpair at Sawn Lake Central and capitalized G&A. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was \$3.8 million mainly related to the drilling of L53-DD6ST2 appraisal well, L53-AA2 exploration well, L53-AA1 exploration well, L53-AAST1 sidetrack exploration well, workover activities, equipment inventory purchases, capitalized general and administrative expenses and other development activities. At March 31, 2020, working capital and non-current deposits (including the Thailand Joint Venture) totaled \$32.2 million and the Company had no long-term debt.

**Q2 2020** – Total corporate adjusted funds flow from operations of \$1.2 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$2.0 million with average daily oil sales from Concession L53 of 1,060 BOPD (\$20.91 per barrel) and working capital and long-term deposits at June 30, 2020 of \$6.6 million. Net loss attributable to common shareholders was \$1.0 million (\$0.02 loss per share) for the quarter. Pan Orient's share of Thailand Joint Venture capital expenditures was \$1.4 million mainly related to the drilling of L53-BB1 exploration well, workover activities, equipment inventory purchases, capitalized general and administrative expenses and other development activities. At June 30, 2020, working capital and non-current deposits (including the Thailand Joint Venture) totaled \$31.4 million and the Company had no long-term debt.

**Q3 2020** – Total corporate adjusted funds flow from operations of \$2.4 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$3.5 million with average daily oil sales from Concession L53 of 1,114 BOPD (\$34.52 per barrel) and working capital and long-term deposits at September 30, 2020 of \$3.5 million. Net loss attributable to common shareholders was \$1.1 million (\$0.02 loss per share) for the quarter. Pan Orient's share of Thailand Joint Venture capital expenditures was \$3.4 million mainly related to the drilling of L53-DD7 and L53-DD8 appraisal wells, workover activities, equipment inventory purchases, capitalized general and administrative expenses and other development activities. At September 30, 2020, working capital and non-current deposits (including the Thailand Joint Venture) totaled \$29.9 million and the Company had no long-term debt.

**Q4 2020** – Total corporate adjusted funds flow from operations of \$1.5 million. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, adjusted funds flow from operations of \$3.2 million with average daily oil sales from Concession L53 of 1,491 BOPD (\$23.54 per barrel) and working capital and long-term deposits at December 31, 2020 of \$5.0 million. Net loss attributable to common shareholders was \$0.4 million (\$0.01 loss per share) for the quarter. Pan Orient's share of Thailand Joint Venture capital expenditures was \$1.5 million mainly related to the drilling of L53-DD9 appraisal well, workover activities, equipment inventory purchases, capitalized general and administrative expenses and other development activities. At December 31, 2020, working capital and non-current deposits (including the Thailand Joint Venture) totaled \$28.5 million and the Company had no long-term debt.

#### **Additional Information**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com)



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