



**PAN ORIENT ENERGY CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**(Unaudited)**

**Pan Orient Energy Corp.**  
**Consolidated Statements of Financial Position**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

(\$000s)	March 31 2020	December 31 2019
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	28,863	24,767
Accounts receivable	480	790
	<b>29,343</b>	<b>25,557</b>
<b>Deposits</b>	<b>607</b>	<b>604</b>
<b>Investment in joint venture</b> (note 3)	<b>30,209</b>	<b>34,127</b>
<b>Right-of-use assets</b>	<b>6</b>	<b>122</b>
<b>Property, plant and equipment</b> (note 5)	<b>379</b>	<b>395</b>
<b>Exploration and evaluation</b> (note 6)	<b>99</b>	<b>85,851</b>
<b>Total assets</b>	<b>60,643</b>	<b>146,656</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	3,017	3,343
Lease liabilities	13	124
Decommissioning provision (note 7)	534	536
	<b>3,564</b>	<b>4,003</b>
<b>Deferred tax liabilities</b> (note 6)	<b>-</b>	<b>5,574</b>
<b>Decommissioning provision</b> (note 7)	<b>1,638</b>	<b>1,679</b>
<b>Total liabilities</b>	<b>5,202</b>	<b>11,256</b>
<b>Shareholders' equity</b>		
Share capital (note 8)	89,298	91,131
Contributed surplus	29,194	27,923
Non-controlling interest	(5,119)	16,985
Accumulated other comprehensive income	2,727	2,903
Deficit	(60,659)	(3,542)
<b>Total shareholders' equity</b>	<b>55,441</b>	<b>135,400</b>
<b>Total liabilities and shareholders' equity</b>	<b>60,643</b>	<b>146,656</b>

**Segmented information** (note 10)

**Commitments** (note 11)

See accompanying notes to the condensed interim consolidated financial statements.

**Pan Orient Energy Corp.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

(\$000s, except per share amounts)	Three Months Ended March 31	
	2020	2019
<b>Other income</b>		
Income from investment in joint venture (note 3)	556	654
<b>Expenses</b>		
General and administrative	574	808
Stock-based compensation	127	393
Amortization and depreciation	14	14
Impairment (notes 5 and 6)	85,799	-
Finance income	(109)	(67)
Foreign exchange (gain) loss	(1,519)	455
	<b>84,886</b>	<b>1,603</b>
<b>Loss before taxes and non-controlling interest</b>	<b>(84,330)</b>	<b>(949)</b>
<b>Taxes</b>		
Deferred income tax recovery	(5,574)	(85)
<b>Net loss from continued operations</b>	<b>(78,756)</b>	<b>(864)</b>
<b>Net loss from discontinued operations</b> (note 4)	<b>(465)</b>	<b>(9)</b>
<b>Net loss</b>	<b>(79,221)</b>	<b>(873)</b>
<b>Other comprehensive loss</b>		
Foreign exchange gain (loss) on translation of joint venture (note 3)	(176)	135
Foreign exchange loss on translation of foreign operations	-	(291)
<b>Total other comprehensive loss</b>	<b>(176)</b>	<b>(156)</b>
<b>Total comprehensive loss</b>	<b>(79,397)</b>	<b>(1,029)</b>
<b>Net loss attributable to:</b>		
Common shareholders	(57,117)	(849)
Non-controlling interest	(22,104)	(24)
<b>Net loss</b>	<b>(79,221)</b>	<b>(873)</b>
<b>Total comprehensive loss attributable to:</b>		
Common shareholders	(57,293)	(1,005)
Non-controlling interest	(22,104)	(24)
<b>Total comprehensive loss</b>	<b>(79,397)</b>	<b>(1,029)</b>
<b>Net loss per share attributable to common shareholders</b> (note 8)		
Basic and diluted – from continued operations	\$ (1.04)	\$ (0.02)
Basic and diluted – from discontinued operations	\$ (0.01)	\$ (0.00)
Basic and diluted – from continued and discontinued operations	\$ (1.05)	\$ (0.02)

See accompanying notes to the condensed interim consolidated financial statements.

**Pan Orient Energy Corp.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

(\$000s)	Share Capital	Contributed Surplus	NCI	AOCI	Retained Earnings (Deficit)	Total
Balance as at December 31, 2018	91,851	26,965	16,808	4,578	21,762	161,964
Net loss	-	-	(24)	-	(849)	(873)
Stock-based compensation expense	-	393	-	-	-	393
Other comprehensive loss	-	-	-	(156)	-	(156)
Balance as at March 31, 2019	91,851	27,358	16,784	4,422	20,913	161,328
Balance as at December 31, 2019	91,131	27,923	16,985	2,903	(3,542)	135,400
Net loss	-	-	(22,104)	-	(57,117)	(79,221)
Stock-based compensation expense	-	127	-	-	-	127
Normal course issuer bid	(1,833)	1,144	-	-	-	(689)
Other comprehensive loss	-	-	-	(176)	-	(176)
Balance as at March 31, 2020	89,298	29,194	(5,119)	2,727	(60,659)	55,441

See accompanying notes to the condensed interim consolidated financial statements.

**Pan Orient Energy Corp.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

(\$000s)	Three Months Ended March 31	
	2020	2019
<b>Cash Provided From (Used in)</b>		
<b>Operating Activities</b>		
Net loss from continued operations	(78,756)	(864)
Adjustments for non-cash items:		
Deferred income tax recovery	(5,574)	(85)
Amortization and depreciation	14	14
Stock-based compensation	127	393
Accretion	5	9
Income from investment in joint venture (note 3)	(556)	(654)
Impairment	85,799	-
Recovery of decommissioning expense	-	-
Unrealized foreign exchange (gain) loss	(1,518)	455
Changes in non-cash working capital	60	(100)
Cash flow used in operating activities	(399)	(832)
<b>Investing Activities</b>		
Property, plant and equipment	(2)	-
Exploration and evaluation	(83)	(124)
Dividend from investment in joint venture (note 3)	4,300	-
Changes in non-cash working capital	(13)	23
Cash flow from (used in) investing activities	4,202	(101)
<b>Financing Activities</b>		
Normal course issuer bid	(689)	-
Finance lease payments	(10)	-
Cash flow used in financing activities	(699)	-
<b>Change in cash and cash equivalents from continuing operations</b>	<b>3,104</b>	<b>(933)</b>
<b>Change in cash and cash equivalents from discontinuing operations (note 4)</b>	<b>(526)</b>	<b>638</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>	<b>1,518</b>	<b>(521)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>24,767</b>	<b>31,662</b>
<b>Cash and cash equivalents, end of period</b>	<b>28,863</b>	<b>30,846</b>

See accompanying notes to the condensed interim consolidated financial statements.

## 1) CORPORATE INFORMATION

Pan Orient Energy Corp. ("Pan Orient" or the "Company") is an Alberta, Canada corporation with shares listed on the TSX Venture Exchange ("TSX-V"). The records office and principal address is located at 1505, 505 – 3rd Street S.W., Calgary, Alberta, T2P 3E6.

Pan Orient is an oil and natural gas company based in Calgary, Alberta with interests in Pan Orient Energy (Siam) Ltd. which has properties onshore Thailand, interests in Andora Energy Corporation ("Andora") which has properties in northern Alberta, Canada (note 6) and with properties onshore Indonesia.

The undeveloped onshore interests in Indonesian 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. An impairment expense for the East Jabung PSC was recorded in the fourth quarter of 2019. The Company is withdrawing from operations in Indonesia and effective January 1, 2020, operations are considered discontinued operations for accounting purposes (note 4).

## 2) BASIS OF PRESENTATION

### *Statement of Compliance*

The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2019. The following disclosures are incremental to those included with the annual consolidated financial statements. Certain disclosures that are normally required in the notes to the annual consolidated financial statements have been condensed or omitted. The interim condensed consolidated financial statements are prepared using the same accounting policies and methods of computation as disclosed in the annual consolidated financial statements except as described below.

The interim condensed consolidated financial statements are stated in Canadian dollars and have been prepared in accordance with the International Accounting Standards 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements were approved by the Company's Board of Directors on May 12, 2020.

### *Use of Estimates and Judgments*

The preparation of financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the dates of the statements of financial position as well as the reported amounts of revenues, expenses, and cash flows during the periods presented. Such estimates relate primarily to unsettled transactions and events as of the dates of the financial statements. Actual results could differ materially from estimated amounts.

Amounts recorded for depletion and depreciation and amounts used for property, plant and equipment and exploration and evaluation cost impairment calculations are based on a number of factors including estimates of oil and natural gas reserves and future costs required to develop those reserves. To test impairment, costs are allocated into cash generating units ("CGUs") based on their ability to generate largely independent cash flows. The determination of CGUs is subject to judgment. The transfer of exploration and evaluation assets to property, plant and equipment is based on management's judgment of technical feasibility and commercial viability.

Stock-based compensation is subject to the estimation of what the ultimate payout will be using pricing models such as Black-Scholes which is based on significant assumptions such as expected volatility, dividend yield and expected term.

Amounts recorded for decommissioning provision and the related accretion expense requires the use of estimates with respect to the amount and timing of abandonment costs, inflation and interest rates.

The provision for income taxes is based on judgments in applying income tax law and estimates on the applicable tax rates, timing, likelihood and reversal of temporary differences between the accounting and tax bases of assets and liabilities. These estimates are subject to measurement uncertainty and changes in these estimates could materially impact the financial statements of future periods.

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

In early March 2020, the World Health Organization declared the COVID-19 coronavirus outbreak to be a pandemic. Responses to the spread of COVID-19 have resulted in significant disruption to business operations and a significant increase in economic uncertainty, with more volatile commodity prices and currency exchange rates, and a marked decline in long-term interest rates. These events are resulting in a challenging economic climate in which it is difficult to reliably estimate the length or severity of these developments and their financial impact. The results of the potential economic downturn and any potential resulting direct and indirect impact to the Company has been considered in management's estimate described above at the period end; however there could be a further prospective material impact in future period.

**3) INVESTMENT IN JOINT VENTURE**

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. The carrying amount of the Company's Investment in Joint Venture is as follows:

<b>Three months ended:</b> (\$000s)	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Investment in Joint Venture, beginning of period	34,127	34,504
Change in amounts due from joint venture	2	(113)
Net income from joint venture, after tax	556	654
Dividend paid	(4,300)	-
Foreign currency translation	(176)	135
<b>Investment in Joint Venture, end of period</b>	<b>30,209</b>	<b>35,180</b>

<b>Pan Orient Energy (Siam) Ltd. <sup>(1)</sup></b> Summarized Financial Information (\$000s)	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Current assets	21,167	15,488
Non-current assets	73,010	70,479
Current liabilities	(10,623)	(4,659)
Non-current liabilities	(32,341)	(21,508)
<b>Net assets</b>	<b>51,213</b>	<b>59,800</b>

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
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**Pan Orient's Investment in Joint Venture**

Pan Orient's 50.01% share of net assets of Pan Orient Energy (Siam) Ltd.	25,609	29,903
Fair value adjustment on initial recognition	8,924	8,924
Amortization of fair value adjustment on initial recognition	(3,052)	(1,741)
Change in amounts due from Joint Venture, since initial recognition	(1,272)	(1,906)
<b>Investment in Joint Venture</b>	<b>30,209</b>	<b>35,180</b>

(1) Represents 100% of net assets of Pan Orient Energy (Siam) Ltd. and the Company has 50.01% equity interest in Pan Orient Energy (Siam) Ltd.

The Company's share of income or loss from the Joint Venture is as follows:

Pan Orient Energy (Siam) Ltd. <sup>(1)</sup> Summarized Statement of Comprehensive Income (\$000s)	Three Months Ended March 31	
	2020	2019
Oil revenue	13,736	7,311
Royalties	(707)	(356)
Interest income	1	1
<b>Total net revenue</b>	<b>13,030</b>	<b>6,956</b>
Production and operating	1,480	898
Transportation	504	205
Depletion, depreciation and amortization	4,758	2,490
General and administrative	481	402
Foreign exchange gain	(14)	(45)
<b>Total expenses</b>	<b>7,209</b>	<b>3,950</b>
<b>Income before taxes</b>	<b>5,821</b>	<b>3,006</b>
Current income tax expense	3,216	-
Deferred income tax expense	913	1,400
<b>Net income</b>	<b>1,692</b>	<b>1,606</b>
Other comprehensive income (loss)	(351)	272
<b>Total comprehensive income</b>	<b>1,341</b>	<b>1,878</b>
<b>Pan Orient's share of income (loss) from Joint Venture under equity method, (50.01% net to Pan Orient)</b>		
Pan Orient's share of net income	846	803
Amortization of fair value adjustment	(290)	(149)
<b>Net income from Joint Venture</b>	<b>556</b>	<b>654</b>

(1) Represents 100% of comprehensive income or loss of Pan Orient Energy (Siam) Ltd. and the Company has 50.01% equity interest in Pan Orient Energy (Siam) Ltd.



**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
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**4) DISCONTINUED OPERATIONS**

The undeveloped onshore interests in Indonesian 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. An impairment expense for the East Jabung PSC was recorded in the fourth quarter of 2019. The Company is withdrawing from operations in Indonesia and the office in Jakarta was closed on March 31, 2020. The operation in Indonesia for accounting purposes effective January 1, 2020 is considered a discontinued operation under "IFRS 5 – Non-current assets held for sale and discontinued operations".

The following tables summarized financial information related to discontinued operations in Indonesia:

Net loss from discontinued operations for the three months ended March 31, 2020 and 2019 is as follow:

(\$000s)	Three months ended March	
	2020	2019
<b>Expenses</b>		
General and administrative	72	63
Amortization	111	24
Recovery of exploration expense	-	(12)
Foreign exchange loss (gain)	282	(66)
<b>Net loss from discontinued operations</b>	<b>465</b>	<b>9</b>

Discontinued operations reported in the consolidated statements of cash flows are as follows:

(\$000s)	Three months ended March	
	2020	2019
Cash flow used in operating activities	(415)	(1,617)
Cash flow from investing activities	-	2,281
Cash flow used in financing activities	(111)	(26)
<b>Change in cash and cash equivalents from discontinuing operations</b>	<b>(526)</b>	<b>638</b>

**5) PROPERTY, PLANT AND EQUIPMENT**

A reconciliation of the carrying amount of property, plant and equipment as at March 31, 2020 is set out below.

(\$000s)	Total
<b>Cost</b>	
At December 31, 2019	1,353
Additions	2
Impairment	(10)
<b>At March 31, 2020</b>	<b>1,345</b>
<b>Accumulated depletion, depreciation and amortization</b>	
At December 31, 2019	(958)
Amortization and depreciation	(8)
<b>At March 31, 2020</b>	<b>(966)</b>
<b>Net book value</b>	
At December 31, 2019	395
<b>At March 31, 2020</b>	<b>379</b>

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

**6) EXPLORATION AND EVALUATION**

A reconciliation of the carrying amount of exploration and evaluation (“E&E”) assets as at March 31, 2020 is set out below.

(\$000s)	<b>Total</b>
At December 31, 2019	85,851
Additions	83
Impairment	(85,789)
Changes in decommissioning costs	(46)
At March 31, 2020	99

Impairment

Impairment expense of \$85.8 million, partially offset by a \$5.6 million of deferred tax recovery, was recorded on the E&E assets related to the carrying value of Andora’s Sawn Lake steam assisted gravity drainage project during the first quarter. Since mid-March 2020, the severe decline in crude oil prices resulting from geopolitical events and collapse of global crude oil demand due to COVID-19 has resulted in lower prices for heavy oil and bitumen and deterioration in the economics for commercial development at Sawn Lake. In the current market there is no expected commercial development at Sawn Lake and the impairment expense was recorded at March 31, 2020.

**7) DECOMMISSIONING PROVISION**

A reconciliation of the Company’s decommissioning provision at March 31, 2020 is set out below.

(\$000s)	<b>Canada</b>	<b>Indonesia</b>	<b>Total</b>
At December 31, 2019	1,679	536	2,215
Revisions to obligations and foreign exchange	(46)	43	(3)
Settlement	-	(45)	(45)
Accretion	5	-	5
At March 31, 2020	1,638	534	2,172
Less current portion	-	(534)	(534)
Non-current portion	1,638	-	1,638

The decommissioning provision is based on the Company’s net ownership of wells and facilities in Indonesia and Canada, management’s estimates of costs to abandon and reclaim those wells and facilities and the potential future timing of the costs to be incurred. Total undiscounted cash flows, escalated at 0.78% for inflation (December 31, 2019 – 1.34%), required to settle the Company’s decommissioning provision are estimated to be \$2.8 million at March 31, 2020 (December 31, 2019 – \$3.2 million). Payments to settle the provision will be made over the operating lives of the underlying assets and are estimated to be incurred between 2020 and 2050. Estimated costs of the non-current portion of the provision have been discounted at the risk-free interest rate in the jurisdiction in which the expenditure is expected to be incurred which averaged at 1.21% at March 31, 2020 (December 31, 2019 – 1.75%).

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

**8) SHARE CAPITAL**

**(a) Authorized**

Unlimited Common Voting Shares  
 Unlimited Preferred Shares

**(b) Issued and Outstanding Class A Common Shares**

	<b>Shares Issued</b>	<b>Shares Outstanding</b>	<b>Amount (\$000s)</b>
Common Shares			
Balance as at December 31, 2019	54,696,007	54,496,007	\$ 91,131
Shares purchased under normal course issuer bid	-	(1,096,000)	(1,833)
Shares cancelled	(1,296,000)	-	-
Balance as at March 31, 2020	53,400,007	53,400,007	\$ 89,298

In May 2019, 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 4,504,064 of its common shares (10% of the public float), subject to a maximum of 1,098,008 common shares (2% of the 54,900,407 issued and outstanding common shares) during any 30 day period. The ability to purchase common shares under the bid commenced on May 16, 2019 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.

During the first quarter of 2020, the Company purchased 1,096,000 shares under a normal course issuer bid at prices ranging from \$0.60 to \$0.65 per share, averaging \$0.63. Subsequent to March 31, 2020, the Company purchased an additional 440,500 shares at an average per share of \$0.48.

**(c) Options to Purchase Common Shares**

	<b>Number of Options <sup>(1)</sup></b>	<b>Weighted Average Exercise Price (\$)</b>
Options outstanding at December 31, 2019	5,115,000	1.45
Expired	(2,180,000)	1.43
Options outstanding at March 31, 2020	2,935,000	1.47

(1) These options are held by directors, senior management, employees and consultant of the Company.

<b>Options Outstanding at March 31, 2020</b>				<b>Options Exercisable at March 31, 2020</b>		
Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
1.09	1,560,000	1.09	2.86	1,560,000	1.09	2.86
1.90	1,375,000	1.90	3.97	916,670	1.90	3.97
1.09 – 1.90	2,935,000	1.47	3.38	2,476,670	1.39	3.27

**(d) Andora Energy Corporation**

**i) Issued and Outstanding Class A Common Shares**

As at March 31, 2020 Andora had 100.1 million (December 31, 2019 – 100.1 million) common shares issued and outstanding of which Pan Orient held 71.8% (December 31, 2019 – 71.8%).

**ii) Options to Purchase Common Shares of Andora**

				Number of options		Weighted average exercise price (\$)	
Balance as at December 31, 2019 & March 31, 2020				9,500,000		0.15	
Options Outstanding at March 31, 2020				Options Exercisable at March 31, 2020			
Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	
0.15	9,500,000	0.15	0.59	9,500,000	0.15	0.59	

**iii) Convertible Credit Facility**

Andora entered into a convertible loan agreement with Pan Orient on January 30, 2018 whereby Andora can draw up to \$2 million against a revolving credit facility. The loan bears interest at HSBC Canada prime rate for commercial loans in Canadian dollars plus three percent, per annum. Any principal drawn against the credit facility, including accrued interest (collectively, "outstanding amount"), is repayable upon demand or by December 31, 2022, whichever is earlier. Security for repayment of any outstanding amount is provided by a general security agreement creating a first fixed charge over all of Andora's property, subject to certain permitted encumbrances. Pan Orient has the option under the loan agreement to convert the outstanding amount, or a portion thereof, into Andora's common shares at a price of \$0.15 per share. In January 2020, the Company increased the revolving credit facility limit by \$500,000 under the same terms and conditions as the existing credit facility. As at March 31, 2020, a total of \$2.3 million (December 31, 2019 - \$2.0 million) was drawn against the credit facility and the undrawn balance is available for use. As a result of the impairment of Andora's E&E assets, the facility due from Andora is not expected to be collected in the foreseeable future (note 6).

**(e) Earnings per Share Attributable to Common Shareholders**

A reconciliation of the weighted average number of common shares used to calculate diluted net income (loss) per share is as follows:

	Three Months Ended March 31	
	2020	2019
Weighted average common shares – basic and diluted	54,329,512	54,900,407

Options were not included in the computation of weighted average diluted common shares because they were anti-dilutive.

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
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*(Unaudited)*

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**9) FINANCIAL INSTRUMENTS**

As at March 31, 2020 the following financial instruments were denominated in currencies other than the Canadian dollar:

	<b>March 31, 2020</b>		December 31, 2019	
	<b>US dollar (\$000s)</b>	<b>Indonesia Rupiah (000s)</b>	US dollar (\$000s)	Indonesia Rupiah (000s)
Cash and cash equivalents	<b>12,498</b>	<b>76,155</b>	12,939	12,065
Accounts receivable	<b>1</b>	-	9	-
Deposits	<b>24</b>	<b>252,229</b>	15	214,226
Accounts payable and accrued liabilities	<b>(2,094)</b>	<b>(291,693)</b>	(2,219)	(2,641,456)
Net exposure in foreign currency	<b>10,429</b>	<b>36,691</b>	10,744	(2,415,165)
Net exposure in Canadian dollars <sup>(1)</sup> (\$000s)	<b>14,797</b>	<b>3</b>	13,941	(228)

(1) Translated at March 31, 2020 and December 31, 2019 exchange rates.

**Pan Orient Energy Corp.**  
**Notes to the Condensed interim consolidated financial statements**  
*(Expressed in Canadian dollars, unless otherwise noted)*  
*(Unaudited)*

**10) SEGMENTED INFORMATION**

The Company operates in three countries and each country is considered a reportable segment. The three segments consist of: 1) interest in joint venture in partially developed conventional petroleum and natural gas properties in Thailand; 2) an undeveloped heavy oil property in Canada and 3) discontinued operations in Indonesia. The following table provides information for each geographical segment for the periods ended March 31:

As at: (\$000s)	March 31, 2020				December 31, 2019			
	Thailand	Indonesia	Canada	Total	Thailand	Indonesia	Canada	Total
Property, plant and equipment	-	-	379	379	-	-	395	395
Exploration and evaluation	-	-	99	99	-	-	85,851	85,851
Other assets	30,209	71	29,885	60,165	34,127	177	26,106	60,410
<b>Total assets</b>	<b>30,209</b>	<b>71</b>	<b>30,363</b>	<b>60,643</b>	<b>34,127</b>	<b>177</b>	<b>112,352</b>	<b>146,656</b>

Three Months Ended: (\$000s)	March 31, 2020				March 31, 2019			
	Thailand	Indonesia	Canada	Total	Thailand	Indonesia	Canada	Total
Income from joint venture	556	-	-	556	654	-	-	654
General and administrative	6	-	568	574	8	-	800	808
Stock based compensation	-	-	127	127	-	-	393	393
Amortization and depreciation	-	-	14	14	-	-	14	14
Impairment	-	-	85,799	85,799	-	-	-	-
Finance income	-	-	(109)	(109)	-	-	(67)	(67)
Foreign exchange loss (gain)	-	-	(1,519)	(1,519)	-	-	455	455
<b>Total expenses</b>	<b>6</b>	<b>-</b>	<b>84,880</b>	<b>84,886</b>	<b>8</b>	<b>-</b>	<b>1,595</b>	<b>1,603</b>
Deferred income tax recovery	-	-	(5,574)	(5,574)	-	-	(85)	(85)
Net income (loss) from continued operations	550	-	(79,306)	(78,756)	646	-	(1,510)	(864)
Net loss from discontinued operations	-	(465)	-	(465)	-	(9)	-	(9)
<b>Net income (loss)</b>	<b>550</b>	<b>(465)</b>	<b>(79,306)</b>	<b>(79,221)</b>	<b>646</b>	<b>(9)</b>	<b>(1,510)</b>	<b>(873)</b>
Net income (loss) attributable to:								
Common shareholders	550	(465)	(57,202)	(57,117)	646	(9)	(1,486)	(849)
Non-controlling interest	-	-	(22,104)	(22,104)	-	-	(24)	(24)
<b>Net income (loss)</b>	<b>550</b>	<b>(465)</b>	<b>(79,306)</b>	<b>(79,221)</b>	<b>646</b>	<b>(9)</b>	<b>(1,510)</b>	<b>(873)</b>

## 11) COMMITMENTS

As at March 31, 2020 the Company's estimated outstanding capital commitments are as follows:

<b>Estimated Net Financial Commitment <sup>(1)</sup></b>			
<b>Country and Concession Name</b>	<b>Remaining Work Program Commitment</b>	<b>Obligation Ending</b>	<b>CAD<sup>(3)</sup> (\$000s)</b>
<b>Thailand Joint Venture</b>			
Concession L53	▪ Surface reservation fee <sup>(2)</sup>	January 2021	-
<b>Total Thailand</b>			<b>-</b>
<b>Canadian Heavy Oil Sands – Andora Energy Corporation</b>			
Sawn Lake, Alberta	▪ Natural gas pipeline tariff	April 1, 2022 to March 31, 2030	719
<b>Total Canada</b>			<b>719</b>
			<b>719</b>

(1) Actual expenditures required to carry out these commitments may be significantly different from the estimates. The Company intends to fund commitments through expected cash flows from Thailand and the Company's existing working capital.

(2) The original nine year exploration period for Concession L53 expired on January 7, 2016. The Government of Thailand has approved a "reserved area" within Concession L53 for up to five years, with the payment of a surface reservation fee of \$0.8 million, for each year Pan Orient Energy (Siam) Ltd. elects to retain the reserved area. Pan Orient Energy (Siam) Ltd. is entitled to receive a refund of the surface reservation fee for a particular year in an amount equal to the petroleum exploration expenditures spent in that year within the reserved area up to the reservation fee paid. Pan Orient Energy (Siam) Ltd. intends to spend at least the full amount each year the reserved area is renewed and, therefore, it is expected that the annual reservation fee will be fully refunded. During 2020, Pan Orient Energy (Siam) Ltd. paid the fifth and final year deposit for the remaining portion of the "reserved area" and received the refund from the fourth year deposit. On January 7, 2021, the "reserved area" exploration lands will expire and only exploration and development lands within the production license areas will remain (with a 20 year primary term to January 7, 2026 plus an additional 10 year renewal period that can be applied for).

(3) Translated at March 31, 2020 exchange rates from the source currency in which the commitments were denominated in.



**PAN ORIENT ENERGY CORP.**

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