PAN ORIENT ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

May 17, 2016

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 May 17, 2016 and should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the three months ended March 31, 2016 and the audited consolidated financial statements and notes thereto and MD&A for the year ended December 31, 2015. 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, with properties onshore Indonesia and 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.

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

Please note that all amounts are in Canadian dollars unless otherwise stated, translation of items denominated in foreign currencies as at March 31, 2016 into Canadian dollars using March 31, 2016 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

The 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 concessions and production sharing contracts; other regulatory approvals; well drilling programs and drilling plans; estimates of reserves and potentially recoverable resources, information on future production and project start-ups, and status of farmout and other transactions; potential purchases of common shares under the normal course issuer bid; and sufficiency of financial resources. 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 reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, 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 provides or has provided forward-looking information with respect to reserves and resource estimates related to Thailand, Indonesia and Canada and estimated costs associated with work commitments in Thailand, Indonesia and Canada. Reserve and resource 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 reserve 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 reserve and resource 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 reserve and resource 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 reserve and resource volumes; the Company's ability to add reserves through development and exploration activities; fluctuations in currency exchange rates; Land and Building Tax in Indonesia; and changes in government legislation and regulations, including royalty and tax laws.

The forward-looking statements contained herein are as of May 17, 2016 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 the 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.

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

On February 2, 2015 the Company sold a 49.99% equity interest in Pan Orient Energy (Siam) Ltd. and subsequently accounted for its remaining 50.01% interest under the equity method as an Investment in a Joint Venture. 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 funds flow from (used in) operations to cash flow used in operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	Three Months Ended March 31	
($thousands)	**2016**	2015
Cash flow used in operating activities	**(197)**	(510)
Changes in non-cash working capital	**(2,212)**	393
Funds flow from Investment in Joint Venture	**343**	477
Funds flow from (used in) operations	**(2,066)**	360

Funds flow from (used in) operations, funds flow from (used in) operations per barrel and funds flow from (used in) 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. 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 funds flow throughout this MD&A refers to funds flow from (used in) operations, which is 1) cash flow used in operating activities prior to changes in non-cash working capital, reclamation costs and 2) the corresponding amount from the Thailand operations which is recorded in Investment in Joint Venture for financial statement purposes. Basic and diluted funds flow per share is calculated in the same manner as basic and diluted earnings or losses 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 principal properties are divided into three distinct groups: 1) partially developed concession located onshore Thailand; 2) undeveloped onshore interests in Indonesia Production Sharing Contracts ("PSCs"); and 3) undeveloped Canadian oil sands leases.

Thailand

<u>Concession L53</u>

At March 31, 2016, 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.

On February 2, 2015 the Company completed the sale of a 49.99% equity interest in Pan Orient Energy (Siam) Ltd. for proceeds of $53.5 million and the Company's equity interest was reduced from 100% to 50.01%. The transaction resulted in Pan Orient Energy (Siam) Ltd. changing from a wholly-owned and controlled subsidiary of the Company to a joint arrangement where the Company has joint control with the purchaser of the 49.99% equity interest. The resulting joint arrangement is classified as a Joint Venture under IFRS and is required to be accounted for using the equity method rather than consolidated as it had previously been when Pan Orient Energy (Siam) Ltd. was a wholly-owned and controlled subsidiary. On February 2, 2015 the Company derecognized all of the accounts of Pan Orient Energy (Siam) Ltd. from its consolidated financial statements and recognized a net investment related to its retained 50.01% equity interest in Pan Orient Energy (Siam) Ltd.

Concession L53 is located approximately 60 kilometers west of Bangkok and consist of 975 square kilometers of lands of which 20.26 square kilometers associated with the L53-A, L53-D and L53-G fields are held through production licenses (with a 20 year primary term plus an additional 10 year renewal period that can be applied for) and 955.74 square kilometers of exploration lands. The original term of the exploration lands ended on January 7, 2013 and Pan Orient Energy (Siam) Ltd. renewed the exploration period for a further three years to January 7, 2016. Additionally, an application to the Government of Thailand was submitted in November 2015 for a 215.87 square kilometer reserved area for a period of up to five years with the payment of a surface reservation fee, which is reimbursable through work program expenditures. The reserved area encompasses all of the remaining prospects defined within Concession L53 and based on full coverage 3D seismic data. Approval was received from the Government of Thailand for the reserved area on May 10, 2016. The surface reservation fee is at a rate of 100,000 Thai Baht per square kilometer of the reserved area per year up to 5 years (equivalent to Cdn $3,734 per square kilometer when translated at the March 31, 2016 exchange rate). The original area of the Concession L53/48 exploration block was 3,997 square kilometers. Crude oil revenue at Concession L53 is from sale of oil production to a refinery owned by the Thai National Oil Company.

The evaluation of the Thailand reserves of Concession L53 (based on a 100% working interest) as at December 31, 2015 was conducted by Sproule International Limited of Calgary and was prepared in accordance with Canadian Securities Administrators National Instrument 51-101 – "Standards of Disclosure for Oil and Gas Activities". Proved and probable crude oil reserves of 1,197,000 barrels at December 31, 2015 from conventional sandstone reservoirs.

Indonesia

At March 31, 2016, the Company owned interests in two PSCs, with a 77% operated working interest in the Batu Gajah PSC and a 49% non-operated working interest in the East Jabung PSC. A 23% carried interest is held by third parties on the Batu Gajah PSC. There were no reserves assigned to any of the Indonesia PSCs at March 31, 2016. The Citarum PSC, where the Company had a 97% operated working interest, expired October 6, 2015 and the Company is awaiting final approval of the relinquishment from the Government of Indonesia ("GOI").

<u>Batu Gajah PSC</u>

Pan Orient acquired an interest in the Batu Gajah PSC in 2008. Pan Orient conducted seismic programs in the PSC and commenced the exploration drilling program in late March 2011. The Tuba Obi Utara-1 (NTO-1) and SE Tiung-1 exploration wells drilled in 2011 failed to find commercial hydrocarbons and were abandoned. In January 2013, 1,730 square kilometers (gross) of exploration lands were relinquished at the Batu Gajah PSC which now holds 791.71 square kilometers (gross) of exploration lands. In the first quarter of 2013 the Company drilled the Shinta-1 and Buana-1 exploration wells and commenced a 400 square kilometer 3D seismic program at the Batu Gajah PSC. These two exploration wells were unsuccessful and abandoned. For the remainder of 2013 the Company worked to complete the acquisition and evaluation of a 400 square kilometer 3D seismic program focused on the eastern half of the PSC. In the third quarter of 2013, the operator of the Lemang PSC (directly adjacent to Pan Orient's Batu Gajah PSC) announced that significant hydrocarbons had been encountered in two wells. The Selong-1 discovery well in the Lemang PSC is located approximately 175 meters from the shared Lemang / Batu Gajah PSC boundary and another well is approximately 500 meters from the shared boundary. During the third quarter of 2015, Pan Orient drilled and cased the Akeh-1 exploration well (Akeh-1) at the Batu Gajah PSC to a depth of 1,850 meters and completed the testing of four zones within the primary target Lower Talang Akar sandstone formation. Pan Orient announced an oil and condensate discovery with the Akeh-1 exploration well on October 20, 2015 based on the testing results. Technical data obtained in the drilling and testing of the Akeh-1 exploration well is being used to update our understanding of the Akeh prospect, plan drilling of the Akeh-2 delineation well and prepare regulatory filings. Readers are cautioned that test results are not necessarily indicative of long-term performance or of ultimate recovery.

During the first quarter of 2016, the Company was informed that the GOI oil and gas regulator requires one additional appraisal well of the Akeh discovery prior to considering "Released from Exploration Status". A successful release would allow the commencement of a "Pre-Plan of Development" study to determine the likelihood of the commerciality of the Akeh-1 discovery, which would be followed (if commerciality is deemed likely) by the compilation and submission of a Plan of Development. Long lead time preparations are currently underway towards the drilling of a deviated appraisal well, Akeh-2, from the existing Akeh-1 well pad. In parallel to these Akeh-2 pre-drill tasks, the Company has been involved in discussions with a number of parties since December 2015 seeking a partner in the Batu Gajah PSC.

The Batu Gajah PSC 10 year exploration phase expires in January of 2017 and the Company intends to submit an application for a two year extension in June 2016, the earliest date for an application allowed under oil and gas regulations. The two year extension would allow the time required to finish drilling Akeh-2, apply for Released from Exploration Status and commence work on the Pre-Plan of Development study. The GOI may require Pan Orient to have drilled the Akeh-2 well prior to granting an extension. In addition to the Akeh prospect, the Batu Gajah contains a number of other exploration prospects with exploration potential.

East Jabung PSC

On November 21, 2011 the Company signed the East Jabung PSC located on and offshore south Sumatra, obtaining operatorship and a 100% working interest. The firm three year exploration commitment includes two wells and 2D seismic acquisition and processing. A 440 kilometer 2D seismic program commenced in 2013 and was completed in April 2014. In the fourth quarter of 2013 the Company submitted an application to the GOI to voluntarily relinquish approximately 3,279.96 square kilometers of the PSCõs offshore area. The GOI approved the offshore relinquishment in the fourth quarter of 2014 and the area has been relinquished. The result of the relinquishment does not impact the PSCõs onshore exploration activities.

On June 1, 2015 Pan Orient completed a farm-out to transfer a 51% interest and operatorship of the East Jabung PSC for consideration of: 1) an upfront cash payment of USD$ 8.0 million; 2) a firm commitment to fund the first USD$ 10.0 million towards the first exploration well in addition to all related general and administrative expenses (ôG&Aö) and overhead costs incurred by the operator until the USD$ 10.0 million expenditure has been completed; 3) an option for Pan Orient to acquire a 20% working interest in the farminee operated South Sumatra Joint Study Area where the farminee holds the right of first refusal in an upcoming Indonesia bid round to bid on a new PSC located adjacent to the East Jabung PSC; and 4) a contingent commitment to fund the first USD$ 5.0 million towards an appraisal well, if justified, in addition to all associated G&A and overhead incurred by the operator until the first USD$ 5.0 million expenditure has been completed.

Gaffney Cline & Associates completed a third party engineer NI-51-101 compliant Prospective Resource Report for the Anggun Prospect effective June 30, 2015, the results of which were contained in a Pan Orient press release of August 4, 2015.

Pan Orient was informed by the operator in March 2016 that significant progress has been made towards a road access agreement to the first proposed exploration drilling location at the East Jabung PSC. Successful conclusion of this agreement will result in a substantially reduced length of new build road, from the originally proposed 24 kilometers, to approximately three kilometers. This would result in a substantially reduced well cost estimate, making it likely that the first East Jabung exploration well will be drilled within the US$10 million limit for Pan Orient's carried interest. Further, Pan Orient was informed by the operator that road and well pad construction is currently planned to commence in the late third quarter of 2016, followed by drilling in the fourth quarter of 2016.

Canada

Andora Energy Corporation is a private oil company, in which Pan Orient has a 71.8% ownership, focused on development of the Sawn Lake area oil sands property in the Peace River Oil Sands Region of Northern Alberta using the steam assisted gravity drainage (ôSAGDö) recovery process. Andora is in pre-production phase and the commercial viability of the SAGD recovery process at Sawn Lake has not yet been established. Andora is the operator and holds a 50% working interest in the demonstration project, located in the Central Block of Sawn Lake, which commenced in 2013. For the SAGD demonstration project, one SAGD well pair was drilled in the fourth quarter of 2013 to a depth of 650 meters and a horizontal length of 780 meters. Construction of the SAGD facility for steam generation, water handling and bitumen treating was completed in 2014, steam injection commenced August 11, 2014 and bitumen production commenced September 16, 2014.

In January and February of 2016, bitumen production at the Sawn Lake Demonstration Project reached a steady state of production of 615 barrels per day ("BOPD") (307 BOPD net to Andora) with an average instantaneous steam-oil ratio ("ISOR") of 2.1 from the one SAGD wellpair. Bitumen production, on a 100% basis, averaged 603 BOPD with an ISOR of 2.2 in January and 629 BOPD with an ISOR of 2.1 in February. Production results to date are not necessarily indicative of long-term performance or of ultimate recovery and the Sawn Lake demonstration project has not yet proven that it is commercially viable.

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

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

Summarized financial information with respect to Andora is as follows:

Andora Energy Corporation	**As at and for the Three months ended March 31**	
($thousands)	**2016**	2015
Total assets	**84,935**	85,813
Total liabilities	**9,144**	8,911
Funds flow from operations	**9**	17
Net income (loss)	**(9)**	7

Financial and Operating Summary	Three Months Ended March 31,		
(thousands of Canadian dollars except where indicated)	**2016**	2015	% Change
FINANCIAL			
Financial Statement Results – Excluding 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 1)			
Net income (loss) attributed to common shareholders	**(2,221)**	33,940	-107%
Per share ï basic and diluted	**$ (0.04)**	$ 0.60	-107%
Cash flow from operating activities (Note 2)	**(197)**	(510)	-61%
Per share ï basic and diluted	**$ (0.00)**	$ 0.01	-64%
Cash flow from (used in) investing activities (Note 2)	**(2,340)**	44,003	-105%
Per share ï basic and diluted	**$ (0.04)**	$ 0.78	-105%
Working capital	**49,006**	80,623	-39%
Working capital & non-current deposits	**53,151**	84,955	-37%
Long-term debt	**-**	-	0%
Shares outstanding (thousands)	**54,885**	56,617	-3%
Capital Commitments (Note 3)	**2,635**	10,336	-75%
Contingencies (Note 4)			
Working Capital and Non-current Deposits			
Beginning of period	**79,160**	40,854	97%
Corporate funds flow used in operations (Note 5)	**(2,409)**	(117)	1,959%
Special Distribution (Note 6)	**(21,954)**	-	100%
Funds flow from sale of Thailand interest	**-**	48,877	-100%
Working capital and non-current deposits derecognized on sale of Thailand interest and recorded in Investment in Joint Venture	**-**	(3,151)	-100%
Consolidated capital expenditures (Note 7)	**(1,626)**	(1,864)	-13%
Amounts advanced to Thailand Joint Venture	**(20)**	(28)	-28%
Disposal of petroleum and natural gas assets (Note 8)	**105**	-	100%
Normal course issuer bid	**-**	(202)	-100%
Foreign operations - unrealized foreign exchange impact	**(105)**	586	-118%
End of period	**53,151**	84,955	-37%
Economic Results – Including 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 9)			
Corporate funds flow from (used in) operations (Note 5)	**(2,066)**	360	-674%
Per share ï basic and diluted	**$ (0.04)**	$ 0.01	-674%
Corporate funds flow from (used in) operations by region (Note 5)			
Canada (Note 10)	**(2,189)**	(17)	12,776%
Thailand ï 100% to February 1, 2015 (Notes 1 & 11)	**(8)**	298	-103%
Indonesia	**(212)**	(398)	-47%
Funds flow used in consolidated operations	**(2,409)**	(117)	1,959%
Share of Thailand Joint Venture (Note 9)	**343**	477	-28%
Total corporate funds flow from (used in) operations	**(2,066)**	360	-674%
Funds flow from sale of Thailand interest	**-**	48,877	-100%
Petroleum and natural gas properties			
Capital expenditures (Note 7)	**1,653**	4,389	-62%
Disposition (Note 8)	**(105)**	-	100%
Capital Expenditures (Note 7)			
Canada (Note 10)	**1,071**	1,374	-22%
Thailand ï 100% to February 1, 2015 (Note 1)	**-**	60	-100%
Indonesia	**555**	430	29%
Consolidated capital expenditures	**1,626**	1,864	-13%
Share of Thailand Joint Venture capital expenditures	**27**	2,525	-99%
Total capital expenditures	**1,653**	4,389	-62%
Investment in Thailand Joint Venture			
Beginning of period	**35,088**	-	100%
Investment retained on sale of Thailand interest	**-**	38,587	-100%
Net loss from Joint Venture	**(558)**	(293)	90%
Other comprehensive gain (loss) from Joint Venture	**(1,073)**	436	-346%
Amounts received from Joint Venture	**20**	28	-28%
End of period	**33,477**	38,758	-14%

(thousands of Canadian dollars except where indicated)	Three Months Ended March 31, 2016	2015	Change
Thailand Operations			
Economic Results – Including 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 9)			
Oil sales (bbls)	**24,442**	28,174	-13%
Average daily oil sales (BOPD) by Concession L53	**269**	313	-14%
Average oil sales price, before transportation (CDN$/bbl)	**$ 37.07**	$ 60.23	-38%
Reference Price (volume weighted) and differential			
Crude oil (Brent $US/bbl)	**$ 33.53**	$ 52.50	-36%
Exchange Rate $US/$Cdn	**1.40**	1.25	12%
Crude oil (Brent $Cdn/bbl)	**$ 47.05**	$ 65.79	-28%
Sale price / Brent reference price	**79%**	92%	-14%
Funds flow from (used in) operations (Note 5)			
Crude oil sales	**906**	1,697	-47%
Government royalty	**(45)**	(81)	-44%
Transportation expense	**(36)**	(46)	-22%
Operating expense	**(300)**	(475)	-37%
Field netback	**525**	1,095	-52%
General and administrative expense (Note 12)	**(191)**	(314)	-39%
Interest income	**1**	2	-50%
Foreign exchange loss	**-**	(8)	-100%
Thailand - Funds flow from operations	**335**	775	-57%
Funds flow from (used in) operations / barrel (CDN$/bbl) (Note 5)			
Crude oil sales	**$ 37.07**	$ 60.23	-38%
Government royalty	**(1.84)**	(2.87)	-36%
Transportation expense	**(1.47)**	(1.63)	-10%
Operating expense	**(12.27)**	(16.86)	-27%
Field netback	**21.48**	38.87	-45%
General and administrative expense (Note 12)	**(7.81)**	(11.14)	-30%
Interest Income	**0.04**	0.07	-42%
Foreign exchange loss	**-**	(0.28)	-100%
Thailand - Funds flow from operations	**$ 13.71**	$ 27.51	-50%
Government royalty as percentage of crude oil sales	**5%**	5%	0%
Income tax & SRB as percentage of crude oil sales	**-**	-	0%
As percentage of crude oil sales			
Expenses - transportation, operating, G&A and other	**58%**	49%	9%
Government royalty, SRB and income tax	**5%**	5%	0%
Funds flow from operations, before interest income	**37%**	46%	-9%
Wells drilled (wells were drilled after February 1, 2015)			
Gross	**-**	3	-100%
Net	**-**	1.5	-100%
Financial Statement Presentation Results – Excluding 50.01% Interest in Thailand Joint Venture from February 2, 2015 onwards (Note 1)			
Crude oil sales	**-**	809	-100%
Government royalty	**-**	(38)	-100%
Transportation expense	**-**	(24)	-100%
Operating expense	**-**	(257)	-100%
Field netback	**-**	490	-100%
General and administrative expense (Notes 11 & 12)	**(8)**	(185)	-96%
Interest income	**-**	1	-100%
Foreign exchange loss	**-**	(8)	-100%
Funds flow from (used in) consolidated operations	**(8)**	298	-103%
Fund flow Included in Investment in Thailand Joint Venture			
Net loss from Thailand Joint Venture	**(558)**	(293)	90%
Add back non-cash items in net loss	**901**	770	17%
Funds flow from Thailand Joint Venture	**343**	477	-28%
Thailand ï Economic funds flow from operations (Note 9)	**335**	775	-57%

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

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

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

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

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

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

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

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

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

(9) For the purpose of providing more meaningful economic results from operations for Thailand, and for comparison to previous period, the amounts presented consist of:

   (a) Companyõs share of Thailand funds flow from operation at 100% from January 1, 2015 to February 1, 2015 (being the beginning of the year to the last date before the equity interest was completed as discussed in note 1)

   (b) Companyõs share of Thailand funds flow from operating at 50.01% subsequent to February 2, 2015 (when the Company completed the equity sale transaction).

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

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

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

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

(14) Tables may not add due to rounding.

2016 FIRST QUARTER HIGHLIGHTS

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

2016 FIRST QUARTER OPERATING RESULTS

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

- Net loss attributable to common shareholders for the first quarter of 2016 of $2.2 million ($0.04 loss per share) compared with net income attributable to common shareholders of $33.9 million ($0.60 per share) in the first quarter of 2015, which was primarily from the gain recorded on the sale of a 49.99% equity interest in its subsidiary Pan Orient Energy (Siam) Ltd. during the first quarter of 2015.
- For the first quarter of 2016, the Company recorded total corporate funds flow used in operations, which includes the economic results of the 50.01% interest in the Thailand joint venture, of $2.1 million ($0.04 loss per share). This compares with total corporate funds flow from operations for the fourth quarter of 2015 of $1.8 million ($0.03 per share). The decline in corporate funds flow from operations from the fourth quarter of 2015 is primarily due to a 6% decline in the United States dollar which resulted in a $1.2 million foreign exchange loss in the first quarter of 2016 versus a $1.6 million foreign exchange gain in the fourth quarter of 2015, recording of $0.6 million of Canadian income tax associated with realized foreign exchange gains, a 36% decline in Thailand oil sales and a 25% decline in the realized price of oil.
- Pan Orient reports capital expenditures of $1.7 million in the first quarter of 2016, with $0.6 million in Indonesia and $1.1 million in Canada at the Sawn Lake SAGD demonstration project of Andora. In addition, Pan Orientõs share of Thailand joint venture capital expenditures was relatively minor at $27 thousand, which was recorded in Investment in Thailand Joint Venture.
- At March 31, 2016 Pan Orient had $53.2 million of working capital and non-current deposits. Working capital and non-current deposits were comprised of $41.6 million cash, $4.2 million of non-current deposits, $10.2 million of Canadian taxes receivable, other receivables of $1.2 million and less accounts payable of $4.0 million. There is $1.4 million of equipment inventory at the Batu Gajah PSC in Indonesia for utilization in future drilling operations at the PSC. In addition, Pan Orientõs Investment in Thailand Joint Venture includes $2.3 million of Thailand working capital and non-current deposits and $2.0 million of equipment inventory to be utilized for future Thailand Joint Venture operations.
- Pan Orient had outstanding capital commitments as at March 31, 2016 of $2.0 million in Indonesia associated with the Companyõs 49% participating interest in the East Jabung PSC. In Canada, there were capital commitments of $0.2 million with respect to contracted natural gas pipeline tie-in and tariff charges associated with the Sawn Lake SAGD demonstration project of Andora. Capital commitments for Pan Orientõs 50.01% interest in Thailand Joint Venture were $0.4 million.
- Pan Orient renewed the normal course issuer bid in March 2016 and Pan Orient is authorized to purchase, for cancellation, up to 4,549,963 of its common shares during the period of March 28, 2016 to March 28, 2017. No common shares have been repurchased under the renewed normal course issuer bid.
- Results Net to Pan Orientõs 50.01% Interest in the Thailand Joint Venture for Concession L53

- Average oil sales of 269 BOPD during the fourth quarter of 2016 and generated $0.3 million in funds flow from operations, or $13.71 per barrel. This compares with 421 BOPD in the fourth quarter of 2015 (a 36% decrease) and $33.51 per barrel in funds flow from operations (a 59% decrease). The average realized sales price per barrel decreased from $49.61 in the fourth quarter of 2015 to $37.07 in the first quarter of 2016.
- Per barrel amounts during the first quarter of 2015 were a realized price for oil sales of $37.07, transportation expenses of $1.47, operating expenses of $12.27, general and administrative expenses of $7.81 and a 5% royalty to the Thailand government of $1.84. Oil sales revenue during this period was allocated 58% to expenses for transportation, operating, and general & administrative, 5% to the government of Thailand for royalties, and 37% to the Thailand Joint Venture. No Thailand petroleum income taxes or Special Remuneratory Benefit tax was recorded during the quarter.
- Oil sales in April 2016 at Concession L53, net to Pan Orientœs 50.01% interest, were 245 BOPD.
- The original nine year exploration period for Concession L53 expired in January 2016. The Government of Thailand has approved a 215.87 square kilometer "reserved area" with the payment of an annual surface reservation fee of $0.4 million for up to five years. This surface reservation fee is reimbursable through work program expenditures and the reserved area encompasses all of the remaining prospects defined within Concession L53 based on full coverage 3D seismic data.

➢ Indonesia

- Capital expenditures of $0.6 million during the first quarter of 2016 related to capitalized G&A at the Batu Gajah PSC.
- Batu Gajah, Onshore Sumatra Indonesia (Pan Orient 77% ownership & Operator)
  - Preparations are currently underway towards the drilling of the Akeh-2 deviated appraisal well from the existing Akeh-1 well pad.
  - The Batu Gajah PSC 10 year exploration phase expires in January of 2017 and the Company intends to submit an application for a two year extension in June 2016, the earliest date for an application allowed under oil and gas regulations. The Government of Indonesia may require Pan Orient to drill the Akeh-2 well prior to granting an extension.

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

- The demonstration project has demonstrated that the SAGD process works in the Bluesky formation at Sawn Lake, established characteristics of ramp up through stabilization of SAGD performance, indicated the productive capability and ISOR, and provided critical information required for well and facility design associated with future commercial development. 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.
- Capital expenditures for the Sawn Lake demonstration project during the first quarter of 2016 were $1.1 million. Capital expenditures related to suspension of demonstration project operations at the end of February 2016, costs associated with the expansion application at the demonstration project site and capitalization of expenses and revenues of the demonstration project. Andora capitalized $0.6 million of demonstration project expenses less revenues in first quarter of 2016.
- An application for a potential expansion at the demonstration project site to 3,200 BOPD was submitted at the end of April. It is expected that a reactivation of the demonstration project facility and wellpair would be considered as part of a potential commercial expansion to 3,200 BOPD. An expansion is dependent on regulatory approval, completion of detailed engineering and a higher commodity price environment to support project economics and financing.

OUTLOOK

INDONESIA

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

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

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

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

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

THAILAND

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

Oil production at onshore Concession L53 benefits from having a low cost structure, as demonstrated during the first quarter of 2016 when the Brent reference price for crude oil averaged US$33.53 per barrel. The 2016 Thailand capital program is being determined but will likely include the drilling of an exploration well in late 2016 and at least one low cost work-over in the third quarter of 2016.

CANADA

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

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

Corporate

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

Oil Production and Revenue

Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% equity interest since February 2, 2015, has oil revenue from Concession L53 in Thailand.

Oil sales from January 1 to February 1, 2015 were consolidated and reported as oil revenue in the Company’s statement of comprehensive income and loss, and all oil sales subsequent to the sale of the equity interest have been accounted for using the equity method and included in the Company’s share of income or loss from its investment in the joint venture.

Pan Orient’s 50.01% interest in Pan Orient Energy (Siam) Ltd. represents average oil sales of 269 BOPD in the first quarter of 2016 compared to average oil sales of 421 BOPD in the fourth quarter of 2015. The 36% decline in oil sales from the fourth quarter of 2015 to the first quarter of 2016 from the fourth quarter of 2015 was due to natural declines in the Company’s existing oil producing zones.

The realized price per barrel was $37.07 for the three months ended March 31, 2016, which was 25% lower than $49.61 for the three months ended December 31, 2015 due to a 24% decrease in the US$ Brent reference price, and an increase in the differential of reference price to the realized price, partially offset by an increase in the average value of the United States dollar during the quarter. The realized sales price has historically been in the range of 85% to 95% of the Brent reference price, with the discount attributed to the high paraffin content of the petroleum and a portion which is heavier crude. The realized price was 79% of the Brent reference price for the three months ended March 31, 2016. This percentage was lower than the 84% realized in the fourth quarter of 2015 and the 92% realized in the first quarter of 2015 due to fixed refinery costs widening the Company’s realized price when compared to the Brent reference price.

Royalties

Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% equity interest since February 2, 2015, pays royalties on crude oil sales from Concession L53 in Thailand to the Thai government based on a sliding scale ranging from 5% on production of less than 2,000 BOPD to 15% on production in excess of 20,000 BOPD per concession. Royalties averaged 5% of revenue during the first quarter of 2016 and was consistent with the previous quarters of 2015.

Royalty expense from January 1 to February 1, 2015 were consolidated and reported as royalty expense in the Company's statement of comprehensive income and loss with all subsequent royalty amounts being included in the Company's share of net income or loss from the joint venture.

Transportation Expense

Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% equity interest since February 2, 2015, incurs transportation expenses to truck its oil production from Concession L53 in Thailand to the refinery in Bangkok. The Company is charged a contracted rate based on the number of tankers and trips required; and both factors are driven by production volumes.

Transportation expenses from January 1 to February 1, 2015 were consolidated and reported as transportation expense in the Company's statement of comprehensive income and loss with all subsequent amounts being included in the Company's share of net income or loss from its investment in joint venture.

Production and Operating Expense

Production and operating expenses are associated with Thailand Concession L53 oil production by Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% equity interest since February 2, 2015.

Pan Orient's 50.01% equity share of the production and operating costs from Concession L53 were $0.3 million ($12.27 per barrel) in the first quarter of 2016 compared to $0.4 million ($9.58 per barrel) for the three months ended December 31, 2015 and $0.5 million ($16.86 per barrel) for the three months ended March 31, 2015. Expenses during the first quarter of 2016 were lower than the comparable periods mainly due to lower volumes and cost saving initiatives. The most significant reductions in production expenses from the prior year related to repairs and maintenance, trucking and hauling, field personnel, fuel expense and equipment rentals. On a per barrel basis, operating expenses were higher in the first quarter of 2016 when compared to the three months ended December 31, 2015 due to lower production volumes in 2016.

Production and operating costs from January 1 to February 1, 2015 were consolidated and reported as an expense in the Company's statement of comprehensive income and loss, with all subsequent costs included in the Company's share of income or loss from the joint venture.

Depletion, Depreciation and Amortization ("DD&A")

As the Company's Canadian and Indonesian assets are in the pre-production phase, depletion is not calculated for these cost centres.

Depletion is recorded on a per barrel basis for Thailand Property, Plant & Equipment ("PP&E") assets of Pan Orient Energy (Siam) Ltd., in which Pan Orient has a 50.01% equity interest since February 2, 2015.

Total DD&A on Thailand PP&E assets, including 50.01% share of the Thailand Joint Venture, was $1.4 million in the first quarter of 2016 when compared to $1.9 million in the same period in 2015. The decrease in DD&A was due to a lower cost base and lower oil production. Depletion expense from January 1 to February 1, 2015 of $0.9 million was recorded in the consolidated accounts, with subsequent depletion charges included in the Company's share of income or loss from the Thailand joint venture.

	Three Months ended March 31	
($thousands)	**2016**	2015
Depletion of Thailand PP&E (1)	**-**	936
Depreciation and amortization of office equipment	**17**	39
DD&A expense recorded in financial statements	**17**	975
Share of DD&A from Joint Venture	**1,395**	920
Total DD&A attributable to Pan Orient, including 50.01% share of Joint Venture	**1,412**	1,895
Total DD&A per barrel attributable to the economic interests of Pan Orient (including 50% interest in Thailand Joint Venture)	**$ 57.77**	$ 67.26

(1) Thailand depletion expense from January 1 to February 1, 2015

Taxes

($thousands)	Three Months ended March 31 2016	2015
Current tax expense	**581**	-
Deferred tax expense (recovery)	**(926)**	566
Total tax expense (recovery)	**(345)**	566

In the first quarter of 2016, the Company recorded a current tax expense in Canada of $0.6 million related primarily to realized foreign exchange gains from converting USD dollars to Canadian dollars.

Taxes receivable was $10.2 million at March 31, 2016 and $12.5 million at December 31, 2015. Taxes receivable relates to Canadian taxes expected to be recoverable from the carryback of tax losses to be applied against the gain taxed in 2012 from the sale of the Company's Thailand interests in Concessions SW1, L44 and L33. During the first quarter of 2016, the Company received a tax refund of $1.8 million relating to tax losses on loans made to the Company's subsidiaries and recorded the current tax expense of $0.6 million.

All taxes receivable, payable, expense and recovery are calculated based on management's application of current income tax laws in the jurisdictions where the taxes arise and may be assessed differently by the respective taxation authorities.

The deferred tax recovery of $0.9 million recorded in the first quarter of 2016 resulted primary from the reversal of temporary differences related to unrealized foreign exchange gains on USD denominated cash on hand.

General and Administrative ("G&A") Expenses

($thousands)	Three months ended March 31 2016	2015
Thailand (excluding Thailand Joint Venture) (1)	**8**	222
Indonesia	**660**	811
Canada	**552**	637
Total G&A, net of overhead recoveries(2)	**1,220**	1,670
Allocated to capital projects(3)	**(575)**	(454)
Cash G&A	**645**	1,216
Accretion expenses	**5**	10
Consolidated G&A expense	**650**	1,226
G&A from Thailand joint venture	**183**	129
Accretion from Thailand joint venture	**5**	5
Total G&A attributable to the economic interests of Pan Orient (including 50% interest in Thailand Joint Venture)	**838**	1,360
Cash G&A – per barrel	**$ 33.88**	$ 47.74
Total G&A – per barrel	**$ 34.29**	$ 48.27

(1) The nominal amount of G&A expenses shown in the first quarter of 2016 for Thailand operations was incurred for the holding company of Pan Orient Energy (Siam) Ltd.

(2) Overhead recoveries represent the portion of Pan Orient's G&A expenses charged through Andora's joint venture operated by the Company to working interest partners and capital projects. Overhead recoveries were $122 thousand and $155 thousand for the three months ended March 31, 2016 and 2015, 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 Concession L53 in Thailand, the Indonesia PSCs and the Company's heavy oil demonstration project in Canada. Amounts capitalized reflect the nature of the Company's capital activities and are reassessed at each reporting period.

Overall, G&A expenses during the first quarter of 2016 were lower than the same period in 2015 mainly due to several cost saving initiatives undertaken in all three countries with lower expenses for personnel expense, professional fees and office rent.

The G&A expenses of Pan Orient Energy (Siam) Ltd. from January 1 to February 1, 2015 were included in the Company's consolidated G&A expense, and all subsequent G&A amounts of Pan Orient Energy (Siam) Ltd. have been reported in the Company's share of income or loss from the joint venture.

Net Loss from Joint Venture

On February 2, 2015 the Company sold a 49.99% equity interest in Pan Orient Energy (Siam) Ltd. and subsequently accounted for its remaining 50.01% interest under the equity method as Investment in Joint Venture.

Losses from Joint Venture	**Three months ended March 31**			
Pan Orient Energy (Siam) Ltd.	**2016**		2015	
(Net to Pan Orient 50.01% equity interest)	**$000s**	**$ per bbl**	$000s	$ per bbl
Crude oil sales	**906**	**37.07**	888	67.49
Government royalty	**(45)**	**(1.84)**	(43)	(3.27)
Transportation expense	**(36)**	**(1.47)**	(22)	(1.67)
Operating expense	**(300)**	**(12.27)**	(218)	(16.57)
Field netback	**525**	**21.48**	605	45.98
General and administrative	**(183)**	**(7.49)**	(129)	(9.80)
Foreign exchange gain	**-**	**-**	1	0.08
Interest income	**1**	**0.04**	-	-
Funds flow from operations	**343**	**14.03**	477	36.25
Depletion, depreciation and amortization	**(1,395)**	**(57.07)**	(920)	(69.92)
Accretion	**(5)**	**(0.20)**	(5)	(0.38)
Deferred tax recovery	**581**	**23.77**	155	11.78
Net loss	**(476)**	**(19.47)**	(293)	(22.27)
Amortization of fair value adjustment	**(82)**	**(3.35)**	-	-
Net loss from Joint Venture	**(558)**	**(22.83)**	(293)	(22.27)

Note: Tables may not add due to rounding

In the first quarter of 2016, the Company recorded a net loss in Joint Venture of $0.6 million which was higher than the net loss of $0.3 million in the first quarter of 2015. Net loss from Joint Venture in the three months ended March 31, 2015, the first quarter of the Company's investment in a joint venture, only consisted of net loss from February 2 to March 31, 2015.

Capital Invested

	Three months ended March 31			
	2016		2015	
		Net wells		Net wells
Capital expenditures (1)	**$000s**	**drilled**	$000s	drilled
Thailand (to February 1, 2015) (2)	**-**	**-**	60	-
Indonesia (3)	**555**	**-**	430	-
Canada	**1,071**	**-**	1,374	-
Consolidated capital expenditures	**1,626**	**-**	1,864	-
Share of joint venture capital expenditures (2)	**27**	**-**	2,525	1.5
Total capital expenditures attributable to the economic interests of Pan Orient (including 50% interest in Thailand Joint Venture)	**1,653**	**-**	4,389	1.5

(1) Excluding foreign exchange and decommissioning provision.

(2) Amounts recorded in the MD&A and financial statements for capital expenditures in Thailand only include capital expenditures to February 1, 2015. Pan Orient's 50.01% share of capital expenditures in the Thailand joint venture from February 2, 2015 onwards are under the equity method as an Investment in a Joint Venture.

(3) Amounts recorded in the MD&A and financial statements for capital expenditures related to the Indonesia PSCs include the amount paid by Pan Orient on behalf of the carried interest partners. If commercial production is established for a PSC, the amounts previously paid by Pan Orient on behalf of the carried interest partners will be recoverable through the partner's share of crude oil or natural gas produced from that PSC.

<u>Thailand</u>
Capital expenditures in Thailand for the three months ended March 31, 2016 were related to fixed rig retaining costs and capitalized G&A.

<u>Indonesia</u>
Capital expenditures in Indonesia were $0.6 million during the first quarter of 2016 and consisted primary of capitalized G&A.

<u>Canada</u>
Capital expenditures in Canada for the three months ended March 31, 2016 of $1.1 million related to costs to suspend the SAGD demonstration project, regulatory work for the expansion application, reservoir simulation, capitalized demonstration project expenses less revenues and capitalized G&A.

Liquidity and Capital Resources

Pan Orient's capital program, including a 50.01% share of the Thailand joint venture, was $1.7 million for the three months ended March 31, 2016 and was financed from existing working capital. At March 31, 2016 the Company's working capital plus non-current deposits were $53.2 million and estimated outstanding capital commitments of $2.6 million. In addition, Pan Orient's Investment in Thailand Joint Venture includes $2.3 million of Thailand working capital and non-current deposits and $2.0 million of equipment inventory to be utilized for future Thailand Joint Venture operations.

At March 31, 2016 Pan Orient's consolidated cash and cash equivalents were held in the jurisdictions where the Company operates as follows:

($thousands)	March 31, 2016	December 31, 2015
Cash and cash equivalents held in Canada	40,957	65,353
Cash and cash equivalents held in Indonesia	617	817
Consolidated cash and cash equivalents	41,574	66,170

Working capital and non-current deposits totaled $53.2 million at March 31, 2016 compared to $66.2 million at December 31, 2015. On February 16, 2016, the Company made a special distribution and returned capital of $0.40 per share to common shareholders. This return of capital reduced the Company's cash and cash equivalents by $22.0 million.

Non-current deposits of $4.1 million at March 31, 2016 consisted of a $3.9 million refundable deposit related to the disputed land and building tax assessed to the East Jabung PSC in Indonesia (refer to Contingency discussion below) and $0.2 million deposited with the Alberta energy regulator in Canada.

Share Capital

Outstanding (thousands)	May 17, 2016	December 31, 2015 and March 31, 2016
Common shares	54,885	54,885
Stock options	5,166	5,166
Total	60,051	60,051

On March 22, 2016 the Company announced that it intends to continue the purchase of its common shares pursuant to the renewal of its normal course issuer bid. Under the terms of the bid, Pan Orient will be authorized to purchase, for cancellation, up to 4,549,963 of its common shares, subject to a maximum of 1,097,708 common shares during any 30 day period. Purchases under the bid may be made between March 28, 2016 and March 28, 2017. No shares were purchased between March 28, 2016 and the date of the MD&A.

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:

	2016	**2015**				**2014**		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Rate at end of period								
Thai baht / Cdn $ exchange	26.78	25.73	26.76	26.84	25.33	28.00	28.69	30.08
Cdn $ / US $ exchange	1.30	1.39	1.34	1.25	1.27	1.16	1.12	1.07

During the first quarter of 2016, the Company recognized a net foreign exchange loss of $1.1 million. The Company held U.S. dollars within Canada to meet the U.S. dollar cash requirements of its foreign operations, and a weaker U.S. dollar relative to the Canadian dollar in the three months ended March 31, 2016 contributed to the majority of the unrealized foreign exchange loss of $3.8 million recorded in the first quarter of 2016. At March 31, 2016, the Company had a U.S. dollar cash balance held within Canada of USD 22.1 million. The foreign exchange loss of $3.8 million was partially offset by $2.6 million in foreign exchange gain realized when the Company converted a portion of its U.S. dollars into Canadian dollars during the first quarter of 2016 at a rate higher than when it first received U.S. dollar proceeds from the sale of its equity interest in Pan Orient Energy (Siam) Ltd. in February 2015.

Thailand 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"). For the three months ended March 31, 2016, the U.S. dollar and Thai Baht depreciated against the Canadian dollar resulting in a foreign currency translation loss on the Company's foreign operations.

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

	Three months ended March 31	
($thousands)	**2016**	2015
AOCI, beginning of period	**27,625**	14,180
Unrealized foreign currency translation gain (loss)	**(7,052)**	13,772
Other comprehensive gain (loss) from joint venture	**(1,073)**	436
Disposition of Thailand interest	**-**	(8,486)
AOCI, end of period	**19,500**	19,902

The unrealized foreign currency translation gain (loss) is as follows:

	Three months ended March 31	
($thousands)	**2016**	2015
Foreign currency translation gain related to Thailand	**-**	4,975
Foreign currency translation gain (loss) related to Indonesia	**(7,052)**	8,797
Other comprehensive gain (loss) from joint venture	**(1,073)**	436
Disposition of Thailand interest	**-**	(8,486)
Total change in AOCI	**(8,125)**	5,722

Contingencies

(a) The Company has significant international operations and subsidiaries incorporated outside of Canada. The international operations and earnings of the Company and its affiliates have been, and may in the future be, affected from time to time in varying degree by political developments and laws and regulations, such as forced divestiture of assets; restrictions on production, imports and exports; price controls; tax increases and retroactive tax claims; expropriation of property; cancellation of contract rights and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the Company can vary greatly from country to country and are not predictable.

(b) The Tax Directorate General of Indonesia assessed several oil and gas companies operating in Indonesia for 2012, 2013 and 2014 Land and Building Tax using a new framework, especially for the calculation of surface Land and Building Tax on offshore acreage, which is being challenged by the impacted oil and gas companies in Indonesia. Pan Orient was issued a Tax Assessment and Notification for the East Jabung PSC for 78,705 million Indonesian rupiah or $7.8 million when translated at the March 31, 2016 exchange rate. The potential accrued penalty for the unpaid tax to the end of the period was an additional $2.8 million. Of the total amount for the assessed Land and Building Tax and penalty of $10.5 million, $9.8 million is associated with the 2013 assessment on the Company◌s offshore acreage which the Company applied to voluntarily relinquish in the fourth quarter of 2013 and finalized in 2014.

Pan Orient lodged an Objection with the Indonesian Tax Office in September 2013 in respect of the 2012 and 2013 Land and Building Tax and in August 2014 in respect of the 2014 Land and Building Tax for the East Jabung PSC. On September 25, 2014 the Indonesia Tax Office rejected the Company◌s Objection in respect of 2012 and 2013 and on 31 December 2014 the Tax Office rejected the Company◌s Objection in respect of 2014. Likewise, the Tax Office also rejected the objections of the other oil and gas companies for the years 2012, 2013 and 2014 on this issue. In the fourth quarter of 2014 the Company filed an appeal in respect of the 2012 and 2013 assessments to the Tax Office◌s Objection with the Indonesian Tax Court and, as required by Indonesian law to file an appeal with the Indonesian Tax Court, paid a refundable deposit of $3.9 million, which is equal to 50% of the tax being disputed. In the first quarter of 2015 the Company filed an appeal in respect of the 2014 assessment to the Tax Office◌s Objection with the Indonesian Tax Court and, as required by Indonesian law to file an appeal with the Indonesian Tax Court, paid a refundable deposit of $86 thousand, which is equal to 50% of the tax being disputed. Management believes that the Company has a strong technical position against the taxes assessed and has not recorded any provision in the consolidated financial statements. In the event the Company loses the appeal, it has the option to further appeal to a higher court level which may take three years to deliver a verdict. Regardless of the Company◌s decision to appeal to a higher court, in the event that it loses at the Tax Court stage it will be required to pay the total taxes less the already paid 50% deposit. The Company would also be required to pay a penalty up to a maximum of $2.8 million should it lose the appeal. If the Company then succeeds in its appeal to a higher court it will be entitled to a refund of all taxes and penalties paid after the Tax Court decision.

In the second quarter of 2015 Pan Orient completed the transfer of a 51% interest and operatorship of the East Jabung PSC. The Company is responsible for the contingency of the Land and Building Tax obligation of the East Jabung PSC as discussed in this note to the financial statements.

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Summary of Quarterly Results

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial ($thousands) except as indicated (1)(2)								
Oil revenue (2)	**-**	-	-	-	809	3,708	5,840	7,285
Interest revenue	**46**	32	31	39	48	59	59	73
Cash flow from (used in) operating activity	**(197)**	80	4,093	(2,224)	(510)	(302)	4,184	3,881
Cash flow from Farmout of East Jabung PSC	**-**	-	-	9,764	-	-	-	-
Cash flow from 2015 Thailand disposition net proceeds (2)	**-**	-	-	-	46,947	-	-	-
Cash flow from (used in) ï 2012 Thailand disposition net proceeds (3)	**-**	-	-	-	-	(152)	-	174
Total assets	**276,094**	310,296	309,326	296,528	305,796	289,670	284,286	276,672
Working capital & non-current deposits	**53,151**	79,160	81,128	86,909	84,955	40,854	44,573	43,789
Shares outstanding (thousands)	**54,885**	54,885	54,885	55,430	56,617	56,760	56,760	56,760
Net income (loss)(4)	**(2,221)**	(3,980)	2,341	(3,248)	33,940	(1,793)	(363)	(147)
Per share basic ($)	**(0.04)**	(0.07)	0.04	(0.06)	0.60	(0.03)	(0.00)	(0.01)
Per share diluted ($)	**(0.04)**	(0.07)	0.04	(0.06)	0.60	(0.03)	(0.00)	(0.01)
Operations ($thousands), including share of Thailand Joint Venture								
Oil sales (BOPD) net to Pan Orient (5)	**269**	421	299	262	313	512	633	769
Funds flow from (used in) operations (6)	**(2,066)**	1,837	3,420	(941)	360	543	3,721	4,600
Funds flowï 2015 Thailand disposition net proceeds (2)	**-**	-	-	-	48,877	-	-	-
Capital expenditures(7) ($thousands)	**1,653**	4,538	8,199	3,871	4,389	4,254	3,163	4,182
Funds flow from (used in) operations ($/bbl) (6)								
Realized crude oil price	**37.07**	49.61	56.61	70.32	60.23	78.70	100.34	104.05
Royalties	**(1.84)**	(2.43)	(2.80)	(3.52)	(2.87)	(3.86)	(4.91)	(5.20)
Transportation & operating	**(13.75)**	(11.02)	(14.69)	(19.29)	(18.49)	(21.31)	(14.79)	(14.29)
Field Netback - Thailand	**21.48**	36.16	39.12	47.51	38.87	53.53	80.64	84.56
General and administrative(8)	**(33.88)**	(29.32)	(37.26)	(57.61)	(47.74)	(34.45)	(18.42)	(20.62)
Exploration(9)	**(4.66)**	(1.50)	(4.07)	(5.58)	(5.71)	(8.62)	(0.36)	0.21
Interest income	**1.92**	0.88	1.16	1.80	1.74	1.25	1.01	1.04
Foreign exchange gain (loss)	**(45.62)**	40.17	125.39	(6.46)	25.63	(0.17)	1.07	0.51
Current income tax recovery (expense)	**(23.77)**	1.03	-	(19.12)	0.00	(0.02)	-	-
Funds flow from (used in) operations	**(84.53)**	47.42	124.34	(39.46)	12.79	11.52	63.94	65.70

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

(2) On February 2, 2015 the Company sold a 49.99% equity interest in its subsidiary Pan Orient Energy (Siam) Ltd. and retained a 50.01% equity interest in the company. Pan Orient Energy (Siam) Ltd. holds a 100% working interest in Concession L53 in Thailand. The transaction resulted in Pan Orient Energy (Siam) Ltd. changing from a wholly-owned and controlled subsidiary to a joint arrangement where the Company shares joint control with the purchaser of the 49.99% equity interest. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is required to be accounted for using the equity method of accounting rather than consolidated as it had previously been when Pan Orient Energy (Siam) Ltd. was a controlled subsidiary. Pan Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of Pan Orient Energy (Siam) Ltd. from February 2, 2015 forward are recorded in Investment in Thailand Joint Venture.

(3) Related to the final adjustments of the sale of Thailand Concessions SW1, L44 and L33 in 2012.

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

(5) Oil sales (BOPD) net to Pan Orient including the 50.01% interest in the Thailand Joint Venture from February 2, 2015 onwards.

(6) Funds flow from (used in) operations is cash flow from operating activities prior to changes in non-cash working capital, reclamation costs and including the corresponding amount from the Thailand operations which is recorded in Investment in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Including the 50.01% interest in the Thailand Joint Venture from February 2, 2015 onwards.

(7) Including the 50.01% interest in the Thailand Joint Venture from February 2, 2015 onwards and excluding decommissioning provision, acquisition costs and foreign exchange.

(8) General and administrative costs excluding accretion expense and gain on settlement of decommissioning provision for Thailand, Canada and Indonesia.

(9) Exploration expense consists of exploration costs incurred at the Citarum and South CPP PSCs in Indonesia and Concession L45 in Thailand.

Q2 2014 ï Corporate funds flow from operations was $4.6 million. Funds flow from operations in Thailand was $5.4 million with average daily oil sales of 769 BOPD from Concession L53, representing $77.45 on a per barrel basis. Net loss attributable to common shareholders was $147 thousand ($0.01 per share) for the quarter. The Company had capital expenditures in the quarter of $4.2 million with $0.9 million in Thailand, $0.7 million in Indonesia and $2.6 million spent in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At June 30, 2014, working capital plus non-current deposits was $43.8 million and the Company had no long-term debt.

Q3 2014 ï Corporate funds flow from operations was $3.7 million. Funds flow from operations in Thailand was $4.3 million with average daily oil sales of 633 BOPD from Concession L53, representing $74.07 on a per barrel basis. Net loss attributable to common shareholders was $0.4 million ($0.00 per share) for the quarter. The Company had capital expenditures in the quarter of $3.2 million with $0.5 million in Thailand, $0.8 million in Indonesia and $1.9 million spent in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At September 30, 2014, working capital plus non-current deposits was $44.6 million and the Company had no long-term debt.

Q4 2014 ï Corporate funds flow from operations was $0.5 million. Funds flow from operations in Thailand was $1.4 million with average daily oil sales of 512 BOPD from Concession L53, representing $30.72 on a per barrel basis. Net loss attributable to common shareholders was $1.8 million ($0.03 per share) for the quarter. The Company had capital expenditures in the quarter of $4.3 million with $0.9 million in Thailand, $0.7 million in Indonesia and $2.7 million spent in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At December 31, 2014 working capital plus non-current deposits was $40.9 million and the Company had no long-term debt.

Q1 2015 ï Corporate funds flow from operations was $0.4 million. Funds flow from operations in Thailand was $0.8 million with average daily oil sales of 313 BOPD from Concession L53, representing $27.51 on a per barrel basis. Pan Orient completed the sale on February 2, 2015 of a 50.01% equity interest in Thailand subsidiary for estimated net proceeds to Pan Orient, after closing adjustments and costs, of $52.0 million, including a working capital adjustment of $3.1 million. The transaction resulted in Pan Orient Energy (Siam) Ltd. changing from a wholly-owned and controlled subsidiary to a joint arrangement where the Company shares joint control with the purchaser of the 49.99% equity interest. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is required to be accounted for using the equity method of accounting rather than consolidated as it had previously been when Pan Orient Energy (Siam) Ltd. was a controlled subsidiary. Net income attributable to common shareholders was $33.9 million ($0.60 per share) for the quarter resulting primarily from the gain on the disposition of the Thailand interest. The Company had capital expenditures during the quarter of $4.4 million with $2.6 million in Thailand, including Pan Orientõs share of Thailand joint venture capital expenditures, $0.4 million in Indonesia, $1.4 million spent in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At March 31, 2015, working capital plus non-current deposits was $85.0 million and the Company had no long-term debt.

Q2 2015 ï Corporate funds flow used in operations was $0.9 million. Funds flow from operations in Thailand was $1.0 million with average daily oil sales of 262 BOPD from Concession L53, representing $39.92 on a per barrel basis. Pan Orient completed the farmout of a 51% interest and transfer of operatorship in the East Jabung PSC in Indonesia for upfront proceeds of US$8.0 million, less 5% transfer taxes, plus US$181 thousand for reimbursed G&A. Net loss attributable to common shareholders was $3.2 million ($0.06 loss per share) for the quarter resulting primarily from low oil prices and high depletion rates that have created a loss attributable to Pan Orient from its investment in the Thailand joint venture. The Company had capital expenditures during the quarter of $3.9 million, including Pan Orientõs share of Thailand joint venture capital expenditures, with $1.1 million in Thailand, $1.1 million in Indonesia and $1.7 million in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At June 30, 2015, working capital plus non-current deposits was $86.9 million and no long-term debt.

Q3 2015 ï Corporate funds flow from operations was $3.4 million. Funds flow from operations in Thailand was $0.9 million with average daily oil sales of 299 BOPD from Concession L53, representing $31.56 on a per barrel basis. Net income attributable to common shareholders was $2.3 million ($0.04 per share) for the quarter resulting primarily from a foreign exchange gain on cash held in U.S. dollars. The Company had capital expenditures during the quarter of $8.2 million, including Pan Orientõs share of Thailand joint venture capital expenditures, with $0.1 million in Thailand, $7.2 million in Indonesia related to the Akeh-1 exploration well, and $0.9 million in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At September 30, 2015, working capital plus non-current deposits was $81.1 million and no long-term debt.

Q4 2015 ï Corporate funds flow from operations was $1.8 million. Funds flow from operations in Thailand was $1.3 million with average daily oil sales of 421 BOPD from Concession L53, representing $33.51 on a per barrel basis. Net loss attributable to common shareholders was $4.0 million ($0.07 per share) for the quarter resulting primarily from $1.0 million G&A expense offset by a $1.6 million foreign exchange gain and $1.5 million deferred tax expense resulting from changes in the Companyõs Canadian tax pools. The Company had capital expenditures during the quarter of $4.5 million, including Pan Orientõs share of Thailand joint venture capital expenditures, with $0.2 million in Thailand, $3.6 million in Indonesia related to the Akeh-1 exploration well, and $0.7 million in Canada associated with the SAGD demonstration project of Andora at Sawn Lake, Alberta. At December 31, 2015, working capital plus non-current deposits was $79.2 million and no long-term debt.

Q1 2016 ï Corporate funds flow used in operations was $2.1 million. Funds flow from operations in Thailand was $0.3 million with average daily oil sales of 537 BOPD from Concession L53 (269 BOPD net to Pan Orient), representing $13.71 on a per barrel basis. Net loss attributable to common shareholders was $2.1 million ($0.04 loss per share) for the quarter, resulting primarily from $0.7 million in G&A expenses, loss of $0.6 million from investment in Joint Venture, $1.1 million of a net foreign exchange loss offset in part by a $0.9 million deferred tax recovery. The Company had capital expenditures of $1.7 million in the quarter, including Pan Orientõs share of Thailand joint venture capital expenditures, with $1.1 million in Canada to suspend the SAGD demonstration of Andora at Sawn Lake, Alberta and $0.6 million in Indonesia and Thailand primary related to capitalized G&A. The Company made a special distribution of $0.40 per share to common shareholders totaling $22.0 million. At March 31, 2016, working capital and non-current deposits totaled $53.2 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