PAN ORIENT ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018

May 14, 2019

Management’s Discussion and Analysis

The following Managementøs Discussion and Analysis (õMD&Aö) of the operating and financial results of Pan Orient Energy Corp. (õPan Orientö or the õCompanyö) is prepared effective May 14, 2019 and should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the three months ended March 31, 2019 and the audited consolidated financial statements and notes thereto and MD&A for the year ended December 31, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards (õIFRSö).

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 (õAndoraö) which has properties in northern Alberta, Canada.

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

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

Please note that all amounts are in Canadian dollars unless otherwise stated, translation of items denominated in foreign currencies as at March 31, 2019 into Canadian dollars using March 31, 2019 exchange rates, represent the net amount to Pan Orientøs interests unless otherwise stated, and BOPD refers to barrels of oil per day.

Forward-Looking Statements

This MD&A contains forward-looking information within the meaning of securities laws. Forward-looking statements and information concerning anticipated financial performance are based on managementøs 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", "estimateö, "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, references to: renewal, extension or termination of oil and gas concessions and production sharing contracts; other regulatory approvals; well drilling programs and drilling plans; estimates of reserves and potentially recoverable resources, 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; sufficiency of financial resources; review of asset portfolio and defining opportunities and strategies. By their very nature, the forward-looking statements contained in this MD&A require Pan Orient and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this MD&A is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserves estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, changes in demand for oil and gas, the results of commercial negotiations, the timing and outcome of applications for government approvals, other technical and economic factors or revisions and other factors, many of which are beyond the control of Pan Orient. Although Pan Orient believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.

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

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

The forward-looking statements contained herein are as of May 14, 2019 and are subject to change after this date. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive and as such undue reliance should not be placed on forward-looking statements. Except as required by applicable securities laws, with the exception of events or circumstances that occurred during the period to which this MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information that was previously disclosed to the public, the Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Measures

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

Total corporate adjusted funds flow from (used in) operations is cash flow from (used in) operating activities prior to changes in non-cash working capital, decommissioning expenditures, unrealized foreign exchange gain or loss 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. Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Adjusted funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

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

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

	Three month ended March 31	
($thousands)	**2019**	2018
Cash flow used in operating activities	**(2,449)**	(4,670)
Changes in non-cash working capital	**1,732**	4,140
Unrealized foreign exchange gain (loss)	**(455)**	646
Share of adjusted funds flow from Investment in Joint Venture	**2,760**	702
Total corporate adjusted funds flow from operations	**1,588**	818

Total corporate adjusted funds flow from (used in) operations, total corporate adjusted funds flow from (used in) operations per barrel and total corporate adjusted 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. Adjusted funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. All references to total corporate adjusted funds flow throughout this MD&A is cash flow from operating activities prior to changes in non-cash working capital, decommissioning expenditures and settlements, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand operations which is recorded in Joint Venture for financial statement purposes. Basic and diluted total corporate adjusted funds flow per share is calculated in the same manner as basic and diluted earnings or loss per share.

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

Petroleum and Natural Gas Properties

The Company's interests in principal properties are divided into three distinct groups: 1) partially developed concession located onshore Thailand, held by Pan Orient Energy (Siam) Ltd.; 2) undeveloped onshore interests in an Indonesia Production Sharing Contract ("PSC"); and 3) undeveloped Canadian oil sands leases, held by Andora.

Thailand

<u>Concession L53</u>

At March 31, 2019, the Company held a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. which is the operator of and holds a 100% working interest in Concession L53/48 ("Concession L53") in Thailand. Concession L53 is partially developed, has oil production and an active exploration and development program.

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

Pan Orient Energy (Siam) Ltd. holds a 100% interest in Thailand Concession L53, which has oil production, development and exploration operations. Concession L53 is located approximately 60 kilometers west of Bangkok and consists of 22.22 square kilometers associated with the L53-A, L53-B, L53-D and L53-G fields that are held through production licenses (with a 20 year primary term ending on January 7, 2036 plus an additional 10 year renewal period that can be applied for) and a 213.91 square kilometer reserved area of exploration lands 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 of 213.91 square kilometers, reduced from the 955.74 square kilometers of exploration lands at January 7, 2016, encompasses all of the remaining prospects defined within Concession L53 and is based on full coverage 3D seismic data. The reserved areas will expire in January 2021 after which only the production license areas will be retained. Crude oil revenue at Concession L53 is from sale of oil production to a refinery owned by the Thai National Oil Company.

In October 2018, the Company made an oil discovery in the reserve area at the L53-DD oil field with the drilling of the L53-DD1 exploration well and L53-DD2 appraisal well. The Company applied for the production license at L53-DD in December 2018 and approval of 2.2 square kilometers of production area was received in April 2019. The approval decreased the total reserved area to 211.69 square kilometer while increased the total production area of all oilfields to 24.44 square kilometer.

The December 31, 2018 independent reserves evaluation for Thailand on-shore Concession L53 was prepared for Pan Orient Energy (Siam) Ltd., which is the operator and has a 100% working interest. The evaluation was conducted by Sproule International and was prepared in accordance with Canadian Securities Administrators National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves or operations of on-shore Concession L53. The values at December 31, 2018 identified as "Net to Pan Orient's 50.01% Equity Interest in Pan Orient Energy (Siam) Ltd." represent 50.01% of Pan Orient Energy (Siam) Ltd. reserves and values. Net to Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd., proved plus probable crude oil reserves were 1,365,500 barrels at December 31, 2018 from conventional sandstone reservoirs. Net to Pan Orient's 50.01% equity interest in Pan Orient Energy (Siam) Ltd., proved, probable and possible crude oil reserves were 2,927,000 barrels at December 31, 2018. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Indonesia

<u>East Jabung PSC</u>

Pan Orient holds a 49% non-operated interest in the East Jabung PSC which is located onshore Sumatra. Pan Orient was awarded the 6,227.72 square kilometers East Jabung PSC in 2011 and relinquished approximately 3,280 square kilometers of the East Jabung PSC's offshore area in 2014. A 440 kilometer 2D seismic program was completed in 2014. On June 1, 2015 Pan Orient completed a farm-out of a 51% participating interest and operatorship of the East Jabung PSC to a subsidiary of Repsol S.A. Pan Orient received an upfront cash payment of US $8 million, a firm commitment by the farminee to fund the first US $10.2 million towards the first and second exploration wells and a contingent commitment to fund the first US $5.1 million towards an appraisal well, if justified.

In 2017, the Ayu-1X and Elok-1X wells were drilled but did not encounter commercial hydrocarbons, however drilling results were encouraging with significant indications of hydrocarbons significantly de-risking the petroleum system in this region. The joint venture approved a 2018 work program and budget that includes the drilling of the Anggun-1X exploration well. The Anggun-1X exploration well is primarily targeting the Gumai sandstone level at a location 4.6 kilometers northwest and 80 meters structurally up-dip of the AYU-1X exploration well which was drilled in 2017. The estimated dry hole cost is US$15.4 million (with Pan Orient's 49% share US$7.5 million).

Drilling of the Ayu-1X and Elok-1X exploration wells satisfied the East Jabung PSC firm commitment of two exploration wells to be drilled prior to the expiry of the six year exploration phase. On January 11, 2019, the East Jabung PSC received approval for a four year exploration extension period of the PSC to January 20, 2023. The final remaining East Jabung PSC area after the extension is 1,245.56 square kilometers, representing 20% of the original PSC area. During the four year exploration extension period, the joint venture has the option of exiting or continuing with the East Jabung PSC on an annual basis. There were no reserves assigned to the East Jabung PSC at March 31, 2019.

Canada

Andora is a private oil company, in which Pan Orient has a 71.8% ownership. As at March 31, 2019, Andora has interests in 78 sections (34.7 net sections) of Sawn Lake Alberta Crown oil sands within the central Alberta Peace River Oil Sands area. Andora is focused on developing the bitumen resources at the Sawn Lake property using steam assisted gravity drainage (“SAGD”) development.

The Sawn Lake property is in a pre-commercial stage and the commercial viability of the SAGD recovery process at Sawn Lake has not yet been established. No proved or probable reserves were assigned at March 31, 2019.

A SAGD demonstration project at Sawn Lake commenced in 2013 and is located in the Central Block of Sawn Lake where Andora is the operator and holds a 50% working interest. The demonstration project consisted of one SAGD well pair drilled to a depth of 650 meters and a horizontal length of 780 meters and the SAGD facility for steam generation, water handling and bitumen treating. Steam injection commenced in May 2014 and produced bitumen from September 2014 to February 2016. The demonstration project successfully captured the key data associated with the objectives of the demonstration project and operations were suspended at the end of February 2016. The demonstration project has proven that the SAGD process works in the Bluesky formation at Sawn Lake, established characteristics of ramp up through stabilization of SAGD performance, indicated the productive capability, instantaneous steam-oil ratio (“ISOR”), and provided critical information required for well and facility design associated with 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.

The results of the demonstration project were used to update the reservoir model and used as an input in preparing the Update of the Evaluation of the Contingent Bitumen Resources in the Sawn Lake Area of Alberta of Andora Energy Corporation as of June 30, 2016 (“Sproule Contingent Bitumen Resources Report”), which is a National Instrument 51-101 compliant resources evaluation for Andora’s oil sands interests at Sawn Lake Alberta, Canada, as evaluated by Sproule Unconventional Limited. The evaluation assigned an 85% chance of development for Sawn Lake, or a 15% development risk, and the risked “Best Estimate” contingent resources for Andora were 196.9 million barrels of bitumen recoverable (141.4 million barrels net to Pan Orient’s 71.8% equity interest in Andora). Andora’s unrisked “Best Estimate” contingent resources were 231.6 million barrels (166.3 million net to Pan Orient’s 71.8% equity interest in Andora) of recoverable bitumen as at June 30, 2016. The June 30, 2016 Contingent Resources Report by Sproule represents an update of a December 31, 2014 Contingent Resources Report also by Sproule. The June 30, 2016 report was updated for results of the Sawn Lake demonstration project, the June 30, 2016 price forecasts for crude oil, bitumen, natural gas and exchange rates, and a revised date of 2020 for the estimated commencement of commercial production. There was no change to the geology or the industry standard development strategy.

Andora is the operator of five oil sands leases with 36 gross sections (30.5 net sections) at Sawn Lake, where it has a working interest of either 50% or 100%. These five leases operated by Andora contain 99.3% of contingent resources assigned in a June 30, 2016 evaluation by Sproule Unconventional Limited. One section (0.5 net sections) which had not been assigned contingent resources in the June 30, 2016 evaluation expired in July 2018. Six oil sands leases are operated by another company with 42 gross sections (4.2 net sections), where Andora is a non-operator with a 10% working interest. These non-operated leases contain 0.7% of the contingent resources assigned in the June 30, 2016 evaluation. Nine sections (0.9 sections net) of the non-operated leases expired in July 2018.

Regulatory approval was received on December 5, 2017 for potential commercial expansion to 3200 BOPD at the Sawn Lake, Alberta SAGD project (in which Andora has a 50% working interest and is the operator) using Andora’s proprietary Produced Water Boiler. Commercial expansion to 3200 BOPD would include a reactivation of the demonstration project SAGD facility and existing wellpair, drilling of an additional four wellpairs and expansion of the facility to generate the additional necessary steam. It is anticipated that additional steam generation would include the test installation of the Andora proprietary Produced Water Boiler. Andora believes that its Produced Water Boiler could achieve significant benefits for Sawn Lake SAGD field and enable development using a series of “battery scale” SAGD facilities (as supposed to a central processing facility). The lead time to acquiring the necessary equipment and commencing operations would be approximately 18 months and another 6 months is required for the start of bitumen production (after development of the steam chamber). An expansion is dependent on 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)	**2019**	2018
Total assets	**84,856**	84,148
Total liabilities	**9,713**	8,826
Adjusted funds flow used in operations	**(65)**	(101)
Net loss	**(86)**	(88)

Financial and Operating Summary *(thousands of Canadian dollars except where indicated)*	Three Months Ended March 31, **2019**	 2018	% Change
FINANCIAL			
Financial Statement Results – Excluding 50.01% Interest in Thailand Joint Venture (Note 1)			
Net loss attributed to common shareholders	**(849)**	(338)	151%
Per share ï basic and diluted	**$ (0.02)**	$ (0.01)	151%
Cash flow used in operating activities (Note 2)	**(2,449)**	(4,670)	-48%
Per share ï basic and diluted	**$ (0.04)**	$ (0.09)	-48%
Cash flow from (used in) investing activities (Note 2)	**2,180**	(1,573)	-239%
Per share ï basic and diluted	**$ 0.04**	$ (0.03)	-239%
Cash flow used in financing activities (Note 2)	**(26)**	-	100%
Per share ï basic and diluted	**$ 0.00**	-	100%
Working capital	**30,970**	36,159	-14%
Working capital & non-current deposits	**31,566**	36,867	-14%
Long-term debt	**-**	-	
Shares outstanding (thousands)	**54,900**	54,900	0%
Capital Commitments (Note 3)	**2,068**	104	1888%
Working Capital and Non-current Deposits			
Beginning of period ï Excluding Thailand Joint Venture	**33,139**	36,897	-10%
Adjusted funds flow from (used in) operations (excluding Thailand Joint Venture) (Note 4)	**(1,172)**	116	-1110%
Consolidated capital expenditures (Note 5)	**(705)**	(303)	133%
Amounts received from Thailand Joint Venture	**113**	25	352%
Disposal of petroleum and natural gas assets (Note 6)	**-**	133	-100%
Finance lease payments	**(26)**	-	100%
Effect of foreign exchange	**217**	(1)	-21800%
End of period ï Excluding Thailand Joint Venture	**31,566**	36,867	-14%
Pan Orient 50.01% interest in Thailand Joint Venture Working Capital and Non-Current Deposits	**6,413**	5,435	18%
Economic Results – Including 50.01% Interest in Thailand Joint Venture (Note 7)			
Total corporate adjusted funds flow from (used in) operations by region (Note 4)			
Canada (Note 8)	**(1,179)**	244	-583%
Thailand (Notes 1 & 9)	**(8)**	(13)	-38%
Indonesia	**15**	(115)	-113%
Adjusted funds flow from (used in) operations (excl. Thailand Joint Venture)	**(1,172)**	116	-1110%
Share of Thailand Joint Venture (Note 7)	**2,760**	702	293%
Total corporate adjusted funds flow from operations	**1,588**	818	94%
Per share ï basic and diluted	**$ 0.03**	$ 0.01	189%
Capital Expenditures - Petroleum and Natural Gas Properties (Note 5)			
Canada (Note 8)	**124**	218	-43%
Indonesia	**581**	85	584%
Consolidated capital expenditures (excl. Thailand Joint Venture)	**705**	303	133%
Share of Thailand Joint Venture capital expenditures	**2,678**	466	475%
Total capital expenditures (incl. Thailand Joint Venture)	**3,383**	769	340%
Disposition - Petroleum and Natural Gas Properties (Note 6)	**-**	(133)	-100%
Investment in Thailand Joint Venture			
Beginning of period	**34,504**	32,185	7%
Net income (loss) from Joint Venture	**654**	(191)	-442%
Other comprehensive gain from Joint Venture	**135**	1,906	-93%
Amounts advanced to Joint Venture	**(113)**	(25)	352%
End of period	**35,180**	33,875	4%

(thousands of Canadian dollars except where indicated)	Three Months Ended March 31, 2019	2018	% Change
Thailand Operations			
Economic Results – Including 50.01% Interest in Thailand Joint Venture (Note 7)			
Oil sales (bbls)	**45,601**	16,370	179%
Average daily oil sales (BOPD) by Concession L53	**507**	182	178%
Average oil sales price, before transportation (CDN$/bbl)	**$ 80.17**	$ 75.50	6%
Reference Price (volume weighted) and differential			
Crude oil (Brent $US/bbl)	**$ 62.24**	$ 66.92	-7%
Exchange Rate $US/$Cdn	**1.37**	1.30	5%
Crude oil (Brent $Cdn/bbl)	**$ 85.25**	$ 87.09	-2%
Sale price / Brent reference price	**94%**	87%	8%
Adjusted funds flow from (used in) operations (Note 4)			
Crude oil sales	**3,656**	1,236	196%
Government royalty	**(178)**	(60)	197%
Transportation expense	**(103)**	(28)	268%
Operating expense	**(449)**	(260)	73%
Field netback	**2,926**	888	230%
General and administrative expense (Note 9)	**(196)**	(194)	1%
Foreign exchange gain	**22**	1	2100%
Thailand ï Adjusted funds flow from operations	**2,752**	695	296%
Adjusted funds flow from (used in) operations / barrel (CDN$/bbl) (Note 4)			
Crude oil sales	**$ 80.17**	$ 75.50	6%
Government royalty	**(3.90)**	(3.67)	6%
Transportation expense	**(2.26)**	(1.71)	32%
Operating expense	**(9.85)**	(15.88)	-38%
Field netback	**64.17**	54.24	18%
General and administrative expense (Note 9)	**(4.30)**	(11.85)	-64%
Foreign exchange gain	**0.48**	0.06	704%
Thailand ï Adjusted funds flow from operations	**$ 60.35**	$ 42.45	42%
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	**20%**	39%	-19%
Government royalty, SRB and income tax	**5%**	5%	0%
Adjusted funds flow from operations, before interest income	**75%**	56%	19%
Wells drilled			
Gross	**2**	-	100%
Net	**1.0**	-	100%
Financial Statement Presentation			
Results – Excl. 50.01% Interest in Thailand Joint Venture (Note 1)			
General and administrative expense (Notes 9)	**(8)**	(13)	-38%
Adjusted funds flow used in consolidated operations	**(8)**	(13)	-38%
Adjusted fund flow Included in Investment in Thailand Joint Venture			
Net income (loss) from Thailand Joint Venture	**654**	(191)	-442%
Add back non-cash items in net loss	**2,106**	893	136%
Adjusted funds flow from Thailand Joint Venture	**2,760**	702	293%
Thailand ï Economic adjusted funds flow from operations (Note 7)	**2,752**	689	299%
Canada Operations (Note 8)			
Interest income	**67**	102	-34%
General and administrative expenses (Note 9)	**(791)**	(514)	54%
Realized foreign exchange gain	**-**	11	-100%
Unrealized foreign exchange gain (loss)	**(455)**	645	-171%
Canada ï Adjusted funds flow from (used in) operations	**(1,179)**	244	-583%
Indonesia Operations			
General and administrative expense (Note 9)	**(51)**	(70)	-27%
Exploration expense	**-**	(1)	-100%
Realized foreign exchange gain (loss)	**66**	(44)	-250%
Indonesia ï Adjusted funds flow from (used in) operations	**15**	(115)	-113%

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

(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 13 of the March 31, 2019 and March 31, 2018 Notes to the Interim Condensed Consolidated Financial Statements.

(4) Total corporate adjusted funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital, decommissioning expenditures and settlements, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in Thailand Joint Venture which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Adjusted funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

(5) Cost of capital expenditures, excluding decommissioning costs, the impact of changes in foreign exchange rates and capitalized stock-based compensation expense.

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

(7) For the purpose of providing more meaningful economic results from operations for Thailand, the amounts presented include 50.01% of results of the Thailand joint venture.

(8) 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.

(9) General & administrative expenses, excluding non-cash accretion on decommissioning provision. The nominal amount of G&A shown in the three months ended March 31, 2019 and March 31, 2018 for Thailand operations related to G&A of the holding company of Pan Orient Energy (Siam) Ltd.

(10) Tables may not add due to rounding.

HIGHLIGHTS

<u>Thailand (net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture)</u>

- Two successful Thailand appraisal wells were drilled in the first quarter of 2019 as follow-up to the discovery of the Concession L53-DD field in the fourth quarter of 2018. The L53-DD Production License was approved on April 22nd and these two wells, plus the original L53-DD1 and L53-DD2 wells, were put on production April 25th.
- Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, oil production from Concession L53 averaged 1,412 BOPD during the 10 day period from April 27th to May 6th with 1,234 BOPD from the four L53-DD wells that commenced stable production on April 27, 2019.
- Strong financial results in Thailand during the first quarter of 2019. Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, oil sales increased to 507 BOPD, adjusted funds flow from operations was $2.8 million ($60.35 per barrel) and working capital and long-term deposits at March 31, 2019 were $6.3 million.

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

- East Jabung Production Sharing Contract ("PSC") received approval on January 11, 2019 for a four year exploration extension period to January 20, 2023 with a remaining area of 1,245.56 square kilometers, representing 20% of the original PSC area.
- Construction of the access road and wellpad for the Anggun 1X exploration well at the East Jabung PSC in Indonesia is proceeding. The operator has advised that the estimated rig mobilization date is approximately July 1, 2019 with drilling to commence approximately August 1, 2019.
- On January 22, 2019 Pan Orient received the net $3.0 million refund from the Government of Indonesia relating to Pan Orient's successful appeal of the 2013 and 2014 Land and Building Tax assessment,.

<u>Corporate</u>

- Total corporate adjusted funds flow from operations in the first quarter of 2019 was $1.6 million ($0.03 per share), including Pan Orient's 50.01% equity interest in the Thailand Joint Venture.
- The net loss attributable to common shareholders was $0.8 million ($0.02 loss per share) with a foreign exchange loss of $0.4 million on United States dollar holdings and higher expenses with respect to general and administrative expenses and stock-based compensation.
- Pan Orient maintains a strong financial position for the planned exploration activities at the East Jabung PSC in Indonesia and at Concession L53 in Thailand with working capital and non-current deposits at March 31, 2019 of $31.6 million and no long-term debt. In addition, Pan Orient's 50.01% equity interest in the Thailand Joint Venture includes working capital and long-term deposits of $6.4 million and $2.2 million of equipment inventory to be utilized for future Thailand Joint Venture operations.
- The normal course issuer bid has been renewed and Pan Orient is authorized to purchase, for cancellation, up to 4,504,064 of its common shares (10% of the public float) during the period of May 16, 2019 to May 16, 2020.
- The Annual and Special Meeting of Shareholders will be held on July 4, 2019 in Calgary.

OUTLOOK

INDONESIA

<u>East Jabung PSC, Onshore Sumatra (Pan Orient 49% ownership & Non Operator)</u>

The Anggun-1X exploration well is expected to commence drilling approximately August 1, 2019. The estimated cost (dry hole) for the well is US$15.4 million (Pan Orient's 49% share US$7.5 million). Approximately US$5.8 million (Pan Orient's 49% share US$2.8 million) in capital expenditures have been recorded to date. A contingent multi-zone testing program will also be conducted if justified by drilling results.

THAILAND

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

Current activities are focused on the L53-DD3 workover and a multi-well exploration/appraisal drilling program that is expected to commence in late July to early August 2019, targeting exploration prospects offsetting the L53-DD field and appraisal drilling at L53-B. A second multi-well exploration drilling program focused mainly in the L53-DD field area is anticipated in late 2019 to early 2020 subject to the timing of required Government of Thailand approvals. All exploration and development activities in 2019 are expected to be financed by Thailand working capital and Thailand adjusted funds flow from operations.

CANADA

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

Since January 2019 the WTI reference price for crude oil has strengthened and the differential between WTI and the Western Canada Select reference price for heavy oil has narrowed. Pan Orient continues to work with joint venture partners towards potential commercial expansion to 3200 BOPD at the Sawn Lake, Alberta steam assisted gravity drainage ("SAGD") project (in which Andora has a 50% working interest and is the operator) using Andora's proprietary Produced Water Boiler. The level of stability in heavy oil prices will have a significant impact on any decision by the Sawn Lake partners regarding the timing and extent of investment in future development, and the ability to finance the project.

Corporate

Pan Orient maintains a strong cash balance, denominated mainly in United States dollar deposits, which allows the Company to conduct key exploration and development activities and ensure financial flexibility. The Company is continually reviewing its exploration and development asset portfolio in Indonesia, Thailand and Canada with the aim of maximizing corporate value and achieving the best allocation of resources. The next six months will be important in defining the go forward opportunities and strategies for Pan Orient based on drilling results in Indonesia and Thailand, and the evolving heavy oil situation in Canada.

Net Income (Loss) from Thailand Joint Venture

The Company holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. (“POS”), which is considered a Joint Venture under IFRS and is accounted for using the equity method. Distributions received from the joint venture reduce the carrying amount of the investment whereas funding to the joint venture increases the carrying amount. The Company’s profit or loss includes its share of the joint venture’s profit or loss and the Company’s other comprehensive income includes its share of the joint venture’s other comprehensive income or loss.

Income (loss) from Joint Venture	**Three months ended March 31**			
Pan Orient Energy (Siam) Ltd.	**2019**		2018	
(Net to Pan Orient 50.01%)	**$000s**	**$ per bbl**	$000s	$ per bbl
Crude oil revenue	**3,656**	**80.17**	1,236	75.50
Government royalty	**(178)**	**(3.90)**	(60)	(3.67)
Transportation expense	**(103)**	**(2.26)**	(28)	(1.71)
Production and Operating expense	**(449)**	**(9.85)**	(260)	(15.88)
Field netback	**2,926**	**64.17**	888	54.24
General and administrative	**(188)**	**(4.12)**	(187)	(11.42)
Foreign exchange gain	**22**	**0.48**	1	0.06
Adjusted funds flow from operations	**2,760**	**60.53**	702	42.88
Depletion, depreciation and amortization	**(1,244)**	**(27.28)**	(849)	(51.86)
Accretion	**(8)**	**(0.18)**	(14)	(0.86)
Exploration expense	**(5)**	**(0.11)**	(51)	(3.12)
Deferred tax recovery (expense)	**(700)**	**(15.35)**	120	7.33
Net income (loss)	**803**	**17.61**	(92)	(5.62)
Amortization of fair value adjustment	**(149)**	**(3.27)**	(99)	(6.05)
Net income (loss) from Joint Venture	**654**	**14.34**	(191)	(11.67)

Note: Tables may not add due to rounding

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

Oil sales from Concession L53 in Thailand averaged 507 BOPD during the three months ended March 31, 2019 compared to 366 BOPD during the fourth quarter of 2018 and 182 BOPD during the first quarter of 2018. Oil production in the first quarter of 2019 was higher than the other comparative periods due to the L53-DD oil field discovery from drilling of L53-DD1 and L53-DD2 during the fourth quarter of 2018.

Oil sales revenue from Concession L53 was $3.7 million for the three months ended March 31, 2019 compared to $2.8 million in the fourth quarter of 2018 and $1.2 million in the first quarter of 2019. Revenue in the first quarter of 2019 was higher than the other comparative periods due to higher production. The realized price per barrel was $80.17 for the three months ended March 31, 2019 compared to $83.75 during the fourth quarter of 2017 and $75.50 during the first quarter of 2018. The realized sales price from the Thailand Joint Venture 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.

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

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

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

Production and operating costs on a per barrel basis were $9.85 per barrel in the first quarter of 2019 and were lower compared to $11.45 per barrel in the fourth quarter of 2018 and $15.88 per barrel in the first quarter of 2018. Higher production lowered fixed operating costs per barrel.

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

Depletion is provided on costs accumulated using the unit-of-production method based on an independent engineering estimate of the Thailand Joint Venture’s share of proved plus probable reserves, before royalties. DD&A was $27.28 per barrel during the first quarter of 2019 compared to $24.03 per barrel during the fourth quarter of 2018 and $51.86 per barrel during the first quarter of 2018. On a per barrel basis, DD&A since the fourth quarter of 2018 has been lower than the prior periods due to the L53-DD oil field discovery in October 2018 resulted in significant increase in proved and probable reserves.

General and Administrative ("G&A") Expenses

($thousands)	Three months ended March 31 **2019**	2018
Canada	**864**	587
Indonesia	**134**	210
Thailand (excluding Thailand Joint Venture)	**8**	13
Total G&A, net of overhead recoveries(1)	**1,006**	810
Allocated to capital projects(2)	**(156)**	(213)
Cash G&A	**850**	597
Accretion expenses	**21**	11
Consolidated G&A expense	**871**	608
Share of G&A from Thailand Joint Venture	**188**	187
Accretion from Thailand Joint Venture	**13**	14
Total G&A attributable to the economic interests of Pan Orient (including 50.01% interest in Thailand Joint Venture)	**1,072**	809

(1) Overhead recoveries represent the portion of Pan Orient's G&A expenses charged by Andora, as operator, to the Sawn Lake joint venture operations and capital projects. Overhead recoveries were $6 thousand and $8 thousand for the three months ended March 31, 2019 and 2018, respectively.

(2) Capitalized G&A allocated to capital projects represents compensation and other directly attributable costs associated with property acquisition, and exploration and development activities. Capitalized G&A relates to exploration and development activities at the East Jabung PSC in Indonesia and the Company's heavy oil demonstration project in Canada. Amounts capitalized reflect the nature of the Company's capital activities and are reassessed in each reporting period.

Total G&A, net of recoveries, was higher during the first quarter of 2019 than 2018 mainly attributed to 2018 year-end compensation partially offset by lower office rent and legal expense.

Capital Invested

	Three months ended March 31			
	2019		2018	
Capital expenditures (1)	**$000s**	**Net wells drilled**	$000s	Net wells drilled
Indonesia	**581**	-	85	-
Canada	**124**	-	218	-
Consolidated capital expenditures	**705**	-	303	-
Share of Thailand joint venture capital expenditures (2)	**2,678**	1	466	-
Total capital expenditures attributable to the economic interest of Pan Orient (including 50.01% interest in Thailand Joint Venture)	**3,383**	1	769	-

(1) Excluding foreign exchange and decommissioning costs.

(2) Pan Orient's 50.01% share of capital expenditures in the Thailand Joint Venture are accounted for using the equity method as an Investment in a Joint Venture.

Thailand

The Company's share of capital expenditures from the Thailand Joint Venture for the three months ended March 31, 2019 were $2.7 million mainly comprised of drilling of the L53-DD3 and L53-DD4 wells, workover activities at the L53-DD1 and L53-DD2 wells and capitalized general and administrative expense.

Indonesia

Capital expenditures in Indonesia for the three months ended March 31, 2019 were $0.6 million for the East Jabung PSC. $0.5 million related to the planned Anggun-1X exploration well and $0.1 million of capitalized general and administrative expense.

Canada

Capital expenditures in Canada for the three months ended March 31, 2019 of $0.1 million for capitalization of ongoing expenses at the demonstration project facility and capitalized general and administrative expense.

Liquidity and Capital Resources

Pan Orient's capital program, including the 50.01% share of the Thailand Joint Venture, was $3.4 million for the three months ended March 31, 2019 and was financed from existing working capital and adjusted funds flow from operations within the Thailand Joint Venture. At March 31, 2019 the Company's working capital plus non-current deposits was $31.6 million compared to $33.1 million at December 31, 2018. The Company had estimated outstanding capital commitments of $2.1 million at March 31, 2019 compared to $0.8 million at December 31, 2018. In addition to Pan Orient's consolidated working capital and non-current deposits, its investment in the Thailand Joint Venture includes $6.4 million of its share of working capital and non-current deposits and $2.2 million of equipment inventory to be utilized for future operations of the Thailand Joint Venture.

At March 31, 2019 Pan Orient's consolidated cash and cash equivalents were held in the jurisdictions where the Company operates as follows:

($thousands)	March 31, 2019	December 31, 2018
Cash and cash equivalents held in Canada	30,730	31,364
Cash and cash equivalents held in Indonesia	116	298
Consolidated cash and cash equivalents	30,846	31,662

Non-current deposits of $0.6 million at March 31, 2019 consisted of the deposit with the Alberta energy regulator in Canada for the interests of Andora at Sawn Lake.

Share Capital

Outstanding (thousands)	May 14, 2019	March 31, 2019	December 31, 2018
Common shares	54,900	54,900	54,900
Stock options	5,365	5,365	3,990
Total	60,265	60,265	58,890

During the first quarter of 2019, the Company granted options to directors, officers and employees to purchase an aggregate of 1,375,000 common shares under the Company's stock option plan. Each option has an exercise price of $1.90 (being the March 18, 2019 closing price of the shares on the TSX Venture Exchange), vests as to one-third on the grant date and one-third on each of the first and second anniversaries of the grant date and expires on March 19, 2024.

In April 2018, 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 4,514,494 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 April 30, 2018 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. No shares were purchased between April 30, 2018 and April 30, 2019.

Subsequent to March 31, 2019, the normal course issuer bid has been renewed and Pan Orient is authorized to purchase for cancellation, up to 4,504,064 of its common shares (10% of the public float) during the period of approximately May 16, 2019 to May 16, 2020.

Foreign Exchange

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

	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Rate at end of period								
Thai baht / Cdn $ exchange	23.35	23.47	24.51	24.70	23.89	25.67	26.49	25.85
Cdn $ / US $ exchange	1.34	1.36	1.29	1.32	1.29	1.25	1.25	1.30

The Company holds U.S. dollars within Canada to meet U.S. dollar cash requirements of its foreign operations and at March 31, 2019 the Company held $19.6 million (December 31, 2018: $19.1 million) denominated in U.S. dollars as cash and cash equivalents.

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

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

	Three months ended March 31	
($thousands)	**2019**	2018
AOCI, beginning of period	**4,578**	1,238
Unrealized foreign currency translation gain (loss) from Indonesia	**(291)**	348
Unrealized foreign currency translation gain from Thailand joint venture	**135**	1,906
AOCI, end of period	**4,422**	3,492

Summary of Quarterly Results

	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial ($thousands) except as indicated [1]								
Interest revenue	**67**	105	151	136	102	88	90	71
Cash flow from (used in) operating activity	**(2,449)**	(245)	(39)	2,547	(4,670)	(485)	447	(1,586)
Total assets	**170,773**	173,717	169,716	170,213	170,494	172,400	170,994	171,203
Working capital & non-current deposits	**31,566**	33,139	32,993	34,992	36,867	36,897	40,416	45,908
Shares outstanding (thousands)	**54,900**	54,900	54,900	54,900	54,900	54,900	54,900	54,900
Net income (loss)[2]	**(849)**	1,409	(960)	(151)	(338)	(578)	(1,816)	(1,224)
Per share basic and diluted ($)	**(0.02)**	0.03	(0.02)	(0.00)	(0.01)	(0.01)	(0.03)	(0.02)
Operations ($thousands), including share of Thailand Joint Venture								
Oil revenue (BOPD) net to Pan Orient [3]	**507**	366	214	235	182	233	262	274
Total corporate adjusted funds flow from (used in) operations [4]	**1,588**	3,001	404	1,294	818	507	(762)	(249)
Capital expenditures[5]	**3,383**	3,319	2,033	1,970	769	3,922	3,981	803
Total corporate adjusted funds flow from (used in) operations ($/bbl) [4]								
Realized crude oil price	**80.17**	83.75	92.34	86.74	75.50	70.80	60.44	62.78
Royalties	**(3.90)**	(4.07)	(4.58)	(4.30)	(3.67)	(3.35)	(3.07)	(3.08)
Transportation & operating	**(12.11)**	(13.47)	(17.20)	(15.35)	(17.59)	(15.37)	(12.90)	(11.93)
Field Netback ï Thailand Joint Venture	**64.17**	66.21	70.56	67.09	54.24	52.07	44.47	47.77
General and administrative[6]	**(22.76)**	(21.30)	(38.74)	(34.86)	(47.89)	(40.29)	(33.89)	(32.15)
Exploration recovery (expense) [7]	**-**	0.89	(0.15)	(1.22)	(0.06)	-	-	-
Interest income	**1.47**	3.74	7.69	7.11	6.23	4.70	3.77	3.12
Foreign exchange gain (loss)	**(8.05)**	39.26	(18.78)	22.41	37.45	7.13	(45.96)	(28.71)
Total corporate adjusted funds flow from (used in) operations	**34.83**	88.80	20.58	60.53	49.97	23.61	(31.61)	(9.97)

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

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

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

(4) Total corporate adjusted funds flow from operations is cash flow from operating activities prior to changes in non-cash working capital, decommissioning expenditures, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand Joint Venture which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Adjusted funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

(5) Including the 50.01% interest in the Thailand Joint Venture. Excluding decommissioning costs, impact of change in foreign exchange rates and capitalized stock-based compensation expense.

(6) General and administrative costs excluding accretion expense on decommissioning costs and lease liabilities.

(7) Exploration expense consists of exploration costs incurred at the Batu Gajah and Citarum PSCs in Indonesia.

(8) Tables may not add due to rounding.

Q2 2017 ï Total corporate adjusted funds flow used in operations of $0.2 million. Adjusted funds flow from operations in Thailand was $1.0 million with average daily oil sales from Concession L53 of 274 BOPD ($40.52 per barrel), net to Pan Orientõs 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $1.2 million ($0.02 per share) for the quarter. Pan Orient had capital expenditures of $0.3 million in the second quarter of 2017, with $0.1 million in Indonesia for capitalized general & administrative expenses and $0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orientõs share of Thailand joint venture capital expenditures was $0.5 million for workover activity. At June 30, 2017, working capital and non-current deposits totaled $45.9 million and the Company had no long-term debt.

Q3 2017 ï Total corporate adjusted funds flow used in operations of $0.8 million. Adjusted funds flow from operations in Thailand was $0.9 million with average daily oil sales from Concession L53 of 262 BOPD ($35.92 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $1.8 million ($0.03 per share) for the quarter. Pan Orient had capital expenditures of $3.7 million in the third quarter of 2017, with $3.3 million in Indonesia for costs associated with drilling of the Ayu-1X and Elok-1X wells and capitalized general & administrative expenses, and $0.4 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $0.3 million for equipment inventory purchases and capitalized general & administrative expenses. At September 30, 2017, working capital and non-current deposits totaled $40.4 million and the Company had no long-term debt.

Q4 2017 ï Total corporate adjusted funds flow used in operations of $0.5 million. Adjusted funds flow from operations in Thailand was $0.9 million with average daily oil sales from Concession L53 of 233 BOPD ($42.01 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $0.6 million ($0.01 per share) for the quarter. Pan Orient had capital expenditures of $2.9 million in the fourth quarter of 2017, with $2.7 million in Indonesia for costs associated with drilling of the Ayu-1X and Elok-1X wells and capitalized general & administrative expenses, and $0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $1.0 million for the drilling of the L53-AC-C1 exploration well and capitalized general & administrative expenses. At December 31, 2017, working capital and non-current deposits totaled $36.9 million and the Company had no long-term debt.

Q1 2018 – Total corporate adjusted funds flow from operations of $0.8 million. Adjusted funds flow from operations in Thailand was $0.7 million with average daily oil sales from Concession L53 of 182 BOPD ($42.45 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $0.3 million ($0.01 per share) for the quarter. Pan Orient had capital expenditures of $0.3 million in the first quarter of 2018, with $0.1 million in Indonesia for costs associated with the Anggun-1X exploration well and capitalized general & administrative expenses, and $0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $0.7 million for workover activities and capitalized general & administrative expenses. The Sawn Lake joint venture sold some inventory of pipe to outside third party for $133 thousand. At March 31, 2018, working capital and non-current deposits totaled $36.9 million and the Company had no long-term debt.

Q2 2018 – Total corporate adjusted funds flow from operations of $1.3 million. Adjusted funds flow from operations in Thailand was $1.2 million with average daily oil sales from Concession L53 of 235 BOPD ($57.97 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $0.2 million ($0.00 per share) for the quarter. Pan Orient had capital expenditures of $2.0 million in the second quarter of 2018, with $1.5 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and $0.3 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $0.2 million for workover activities and capitalized general & administrative expenses. At June 30, 2018, working capital and non-current deposits totaled $35.0 million and the Company had no long-term debt.

Q3 2018 – Total corporate adjusted funds flow from operations of $0.4 million. Adjusted funds flow from operations in Thailand was $1.2 million with average daily oil sales from Concession L53 of 214 BOPD ($60.22 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net loss attributable to common shareholders was $1.0 million ($0.02 loss per share) for the quarter. Pan Orient had capital expenditures of $1.1 million in the third quarter of 2018, with $1.0 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and $0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $0.9 million for workover activities and construction costs for the L53-DD1 exploration well related to the access road and site. At September 30, 2018, working capital and non-current deposits totaled $33.0 million and the Company had no long-term debt.

Q4 2018 – Total corporate adjusted funds flow from operations of $3.0 million. Adjusted funds flow from operations in Thailand was $2.0 million with average daily oil sales from Concession L53 of 366 BOPD ($66.21 per barrel), net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture. Net income attributable to common shareholders was $1.4 million ($0.03 per share) for the quarter. Pan Orient had capital expenditures of $3.3 million in the fourth quarter of 2018, with $0.8 million in Indonesia for costs primarily associated with the Anggun-1X exploration well, and $0.2 million in Canada at the Sawn Lake SAGD property of Andora. In addition, Pan Orient's share of Thailand Joint Venture capital expenditures was $2.3 million related to site construction and access road at the new discovery L53-DD oil field, drilling of L53-DD1 and L53-DD1 wells, workover programs, reservoir engineering, and other development activities and capitalized general and administrative expenses. At December 31, 2018, working capital and non-current deposits totaled $33.1 million and the Company had no long-term debt.

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

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com