The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto for the three and six month periods ended June 30, 2005, and the audited financial statements and MD&A for the year ended December 31, 2004. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

Effective April 8, 2005, Pan Orient (formerly Welwyn Resources Ltd.) completed a reverse take-over (the "**Reverse Take-Over**") involving the acquisition of all of the issued and outstanding shares of Pan Orient Energy Ltd., whereby the shareholders of Pan Orient Energy Ltd. acquired control of Pan Orient. The Reverse Take-Over resulted in a change of control of Pan Orient, including the resignation of all of the then current officers and directors of Pan Orient and the appointment of all of Pan Orient Energy Ltd.'s officers and directors to the corresponding positions of Pan Orient.

As Pan Orient Energy Ltd. is deemed to be the acquirer, by virtue of the Reverse Take-Over, and as such the reporting issuer , the consolidated statements of loss and deficit and the consolidated statements of cash flows for the 2004 comparative year reflect only the accounts of Pan Orient Energy Ltd. Prior to the Reverse Take-Over the Company had not conducted any operations other than the acquisition of non-producing oil and gas properties and as such its interest income and administrative expenses prior to that date were capitalized as acquisition costs. Included in the three and six month periods ended June 30, 2005 are the accounts of Pan Orient (formerly Welwyn Resources Ltd.) from April 8, 2005, forward.

Interest income on the Company's approximately $10 million of cash deposits during the second quarter of 2005 was $49,280.

General and administrative expenses for the second quarter of 2005 were $117,644. These expenses do not include $49,000 in consulting fees relating to the acquisition of oil and gas properties, which were capitalized. The Company has a relatively low general and administrative cost structure in place with total annual salaries and consulting fees to its four officers and consultants of $358,000 and annual lease expense relating to the Company's head office of $63,000 which the Company has sub-leased to March 2007. Additional expenses during the quarter related largely to increased activity and costs in connection with the Reverse-Take Over.

Depletion and amortization charges were $2,943 for the quarter, as the Company began amortizing its office and computer equipment.

The stock based compensation expense for the second quarter of 2005 was $484,600, relating to the issuance of 2,350,000 stock options during the quarter. As required under Canadian GAAP the Company uses the fair value method to account for its stock based compensation.

Due largely to the non-cash stock compensation expense recorded the Company reported a net loss for the period of $555,297.

In connection with the completion of the Reverse Take-Over, during the quarter Pan Orient completed two financings totaling $4,499,992: (a) a fully subscribed Private Placement financing for the issuance of 3,333,323 Pan Orient Common Shares, which included the agents fully exercising their 25% over allotment option, at a price of $0.75 per share for gross proceeds of $2,499,992 and (b) a fully subscribed Short Form Offering Document financing for the issuance of 2,666,666 Pan Orient Common Shares at a price of $0.75 per share for gross proceeds of $2,000,000. Both financings were subject to a 7% cash agent's commission. Pan Orient had completed a financing under similar terms in February 2005 for gross proceeds of $8 million bringing the total amount of equity raised to $12.5 million.

Additionally, in connection with the completion of the Reverse Take-Over, the following amounts were converted into Pan Orient Common Shares, at a price of $0.75 per share: (a) $27,500 of convertible debentures payable and (b) $100,000 of amounts due to related parties.

During the first half of 2005, the Company paid to its officers and shareholders, either directly, or indirectly to companies controlled by them, $179,000 for consulting and management services. In April 2004, the Company purchased a 20% interest in petroleum and natural gas properties in northern Alberta for $1,000,000 which was funded by certain of the Company's shareholders in exchange for a note payable. In the fourth quarter of 2004 one half of the above mentioned interest was sold in exchange for the acceptance of $500,000 of the note payable by the purchaser. The remaining $500,000 of the note payable was subsequently converted into shares of the Company. The transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

At June 30, 2005, the Company had positive working capital of approximately $10.2 million, with $10.1 million of that balance being in uncommitted cash deposits.

Management believes it has sufficient cash on hand to fund a robust seismic and exploration program on Tiger's Thailand assets, fund a multi-well drilling program on Pan Orient's Sawn Lake prospect as well as fund entrance and drilling opportunities in other Asian counties. Pan Orient is actively pursuing land and production acquisition opportunities in India, China and Indonesia. If the Company requires additional capital for either new or existing projects it would likely be provided through additional equity financing.

At June 30, 2005 Pan Orient had 23,548,787 shares outstanding.

TIGER

On August 26, 2005 Pan Orient filed its Offer to Purchase and the accompanying Take-Over Bid Circular (the "Offer") relating to its proposed acquisition of Tiger Petroleum Inc. ("Tiger"). The Offer is open for the acceptance and tender of Tiger security holders until September 30, 2005.

The acquisition consideration consists of one (1) common share of Pan Orient for each four and one quarter (4.25) common shares of Tiger and is subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding Tiger shares, receipt of all required regulatory approvals and other customary conditions. On August 26, 2005 the closing price of the Pan Orient shares on the TSXV was $1.71, representing a premium of 68% over the $0.24 closing price of Tiger shares on May 10, 2005, being the last day on which the Tiger shares traded on the TSXV prior to being suspended from trading.

The Offer also provides for the acquisition of all of the outstanding convertible debentures of Tiger for, at the election of each holder thereof, (A) cash consideration equal to the principal amount thereof and accrued and unpaid interest thereon, or (B) consideration equal to 870 common shares of Pan Orient for each $1,000 of principal amount thereof and accrued and unpaid interest thereon or (C) any combination of (A) and (B).

Pan Orient currently owns 1,400,000 common shares of Tiger, or approximately 9.4 percent of Tiger's issued and outstanding common shares. After closing of the Tiger acquisition, Pan Orient will have approximately 28.1 million shares outstanding (assuming all Tiger debenture holders convert to Pan Orient shares), approximately $10 million in available uncommitted cash and zero debt.

BUSINESS RISK

Companies engaged in the oil and gas industry are exposed to a number of business risks, which can be described as operational, financial and political risks, many of which are outside of Pan Orient's control. More specifically these risks include risks of economically finding reserves and producing oil and gas in commercial quantities, marketing the production, commodity prices and environmental and safety risks. In order to mitigate these risks, the Company has an experienced base of qualified personnel, both technical and financial, and maintains an insurance program that is consistent with industry standards.

The acquisition of Tiger also carries business risks including certain legal proceedings against Tiger which are outlined on page 30 of the Company's offer to Purchase dated August 26, 2005, as filed on SEDAR, and risk factors stated on pages A-18 to A-22 of the Offer.

ADDITIONAL INFORMATION

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

NOTICE TO READER

Management has compiled the unaudited interim consolidated financial information of Pan Orient Energy Corp. consisting of the interim consolidated Balance Sheets at June 30, 2005 and the interim consolidated Statements of Loss and Deficit and interim consolidated Statements of Cash Flows for the three and six month periods ended June 30, 2005 and 2004. Please note the interim financial statements have not been reviewed or audited by external auditors.