PAN ORIENT ENERGY CORP.

2008 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

PAN ORIENT ENERGY CORP.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

($000s)	September 30 2008	December 31 2007
ASSETS		
CURRENT		
Cash and cash equivalents	**77,325**	36,852
Accounts receivable	**16,663**	14,501
	93,988	51,353
Deposits	**2,359**	2,177
Petroleum and natural gas properties (Note 4)	**124,174**	88,940
	220,521	142,470
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**16,184**	8,122
Taxes payable	**40,141**	4,645
	56,325	12,767
Future income tax	**14,659**	7,721
Asset retirement obligation	**84**	84
	71,068	20,572
Non-controlling interest	**17,776**	18,018
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5)	**103,262**	98,800
UNDERWRITERS COMPENSATION OPTIONS	**-**	119
CONTRIBUTED SURPLUS	**6,895**	5,671
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	**50**	(1,722)
RETAINED EARNINGS	**21,470**	1,012
	21,520	(710)
	131,677	103,880
Commitments and contingencies (note 9) Subsequent event (note 11)		
	220,521	142,470

See accompanying notes to the consolidated financial statements

PAN ORIENT ENERGY CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIT) (UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	**2007**	**2008**	**2007**
(*$000s, except per share amounts*)				
REVENUES				
Oil and natural gas	**43,241**	4,214	**111,225**	8,598
Royalties	**(2,808)**	(242)	**(7,411)**	(626)
Interest	**209**	118	**567**	341
	40,642	4,090	**104,381**	8,313
EXPENSES				
Operating	**907**	246	**2,696**	1,466
Transportation	**1,032**	165	**2,994**	357
General and administrative	**1,777**	764	**4,041**	2,079
Depletion, depreciation and amortization	**5,000**	1,566	**11,042**	3,520
Stock-based compensation	**214**	235	**955**	1,114
Foreign exchange (gain) loss	**(931)**	1,079	**(440)**	1,798
Foreign new ventures expenditures (note 4)	**619**	-	**619**	40
	8,618	4,055	**21,907**	10,374
INCOME (LOSS) BEFORE TAXES AND NON-CONTROLLING INTEREST	**32,024**	35	**82,474**	(2,061)
TAXES				
Income tax	**11,041**	-	**25,663**	-
Special remuneratory benefit (note 7)	**8,196**	-	**29,132**	-
Future income tax expense (reduction)	**3,833**	(28)	**6,982**	(59)
	23,070	(28)	**61,777**	(59)
INCOME (LOSS) BEFORE NON-CONTROLLING INTEREST	**8,954**	63	**20,697**	(2,002)
NON-CONTROLLING INTEREST	**104**	23	**242**	146
NET INCOME (LOSS) FOR THE PERIOD	**9,058**	86	**20,939**	(1,856)
RETAINED EARNINGS (DEFICIT) BEGINNING OF PERIOD	**12,893**	(5,773)	**1,012**	(3,831)
REPURCHASE OF SHARES (note 5)	**(481)**	-	**(481)**	-
RETAINED EARNINGS (DEFICIT) END OF PERIOD	**21,470**	(5,687)	**21,470**	(5,687)
INCOME (LOSS) PER SHARE (note 5)				
Basic	**0.20**	0.00	**0.46**	(0.05)
Diluted	**0.19**	0.00	**0.43**	(0.05)

See accompanying notes to the consolidated financial statements

PAN ORIENT ENERGY CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	**2007**	**2008**	**2007**
(*$000s*)				
Net income (loss)	**9,058**	86	**20,939**	(1,856)
Cumulative translation of self-sustaining operations	**(689)**	-	**1,830**	-
Foreign exchange loss realized	**532**	-	**(58)**	-
Comprehensive income (loss)	**8,901**	86	**22,711**	(1,856)

See accompanying notes to the consolidated financial statements

PAN ORIENT ENERGY CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	**2007**	**2008**	**2007**
(*$000s*)				
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for the period	**9,058**	86	**20,939**	(1,856)
Items not affecting cash				
Depletion, depreciation and amortization	**5,000**	1,566	**11,042**	3,520
Stock-based compensation	**214**	235	**955**	1,114
Future income tax expense (reduction)	**3,833**	(28)	**6,982**	(59)
Unrealized foreign exchange (gain) loss	**(635)**	619	**(752)**	1,338
Non-controlling interest	**(104)**	(23)	**(242)**	(146)
	17,366	2,455	**38,924**	3,911
Changes in non-cash working capital	**9,148**	(1,842)	**42,030**	(3,624)
	26,514	613	**80,954**	287
INVESTING ACTIVITIES				
Petroleum and natural gas properties	**(13,627)**	(9,035)	**(23,893)**	(15,702)
Indonesia acquisition (note 3)	**(8)**	-	**(15,414)**	-
Cash acquired with Signet, net of cash costs	**-**	2,802	**-**	2,802
Changes in non-cash working capital	**1,122**	3,188	**(1,601)**	5,892
Deposits	**-**	(897)	**-**	(5,752)
	(12,513)	(3,942)	**(40,908)**	(12,760)
FINANCING ACTIVITIES				
Issue of common shares, net of issue costs	**-**	6,037	**430**	6,352
Repurchase of common shares	**(753)**	-	**(753)**	-
	(753)	6,037	**(323)**	6,352
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**13,248**	2,708	**39,723**	(6,120)
EFFECT OF FOREIGN EXCHANGE ON CASH BALANCES	**633**	(45)	**750**	(355)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**63,444**	6,983	**36,852**	16,122
CASH AND CASH EQUIVALENTS, END OF PERIOD	**77,325**	9,646	**77,325**	9,646
CASH TAXES PAID	**14,790**	-	**14,790**	-

See accompanying notes to the consolidated financial statements

1) DESCRIPTION OF BUSINESS

Pan Orient Energy Corp. ("Pan Orient" or the "Company"), is an oil and natural gas company based in Calgary, Alberta, which holds properties onshore Thailand and Indonesia as well as interests in subsidiaries with properties in Northern Alberta. The Company is continually pursuing other oil and natural gas exploration acreage in Asia.

2) SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of Pan Orient have been prepared by management in accordance with Canadian generally accepted accounting principles. With the exception of the changes discussed herein, the interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements of the Company for the year ended December 31, 2007. Certain information and disclosures normally required in the notes to the annual financial statements have been condensed or omitted and therefore these interim financial statements and notes thereto should be read in conjunction with the audited financial statements for the year ended December 31, 2007. Unless otherwise indicated, all financial amounts are reported in thousands of Canadian dollars.

CHANGES IN ACCOUNTING POLICIES

Capital Disclosures

Effective January 1, 2008 the Company adopted Section 1535, *Capital Disclosures* which requires companies to disclose their objectives, policies and processes for managing capital. See note 6 for disclosure regarding the Company's capital structure

Financial Instruments Disclosure and Presentation

On January 1, 2008 the Company adopted Section 3862, *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Disclosure and Presentation*. These disclosure standards were adopted prospectively by the Company and require entities to provide information that enable users to evaluate: 1) the significance of financial instruments for the entity's financial position and performance; 2) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date; and 3) how the entity manages its risks. These disclosures are provided in note 8.

3) ACQUISITION OF INDONESIAN COMPANIES

During the three months ended June 30, 2008 the Company acquired all of the issued and outstanding shares of three privately-held companies with interests in Indonesia. These entities hold a 90% operated working interest in the Batu Gajah Production Sharing Contract (PSC) located onshore south Sumatra, a 69% operated working interest in the Citarum PSC located onshore West Java as well as certain rights to exploration lands within the Republic of Indonesia that have been exercised under certain conditions. The allocation of the purchase price, which is preliminary and subject to change, is as follows:

($000s)	
Consideration:	
Cash	14,741
Common shares	4,124
Transaction costs	1,547
	20,412
Allocated as follows:	
Petroleum and natural gas properties	19,664
Working capital, including cash of $874,000	748
	20,412

4) PETROLEUM AND NATURAL GAS PROPERTIES

($000s)	Cost	Accumulated Depreciation and Amortization	Net Book Value
As at September 30, 2008			
Canada	57,647	-	57,647
Thailand	60,570	(16,178)	44,392
Indonesia	21,780	-	21,780
Office equipment - Canada	872	(517)	355
	140,869	(16,695)	124,174
As at December 31, 2007			
Canada	56,182	-	56,182
Thailand	37,336	(5,284)	32,052
India	395	-	395
Office equipment - Canada	679	(368)	311
	94,592	(5,652)	88,940

General and administrative and stock-based compensation expenses totaling $0.1 million and $0.3 million (2007 - $0.1 million) that were directly related to exploration and development activities have been capitalized for the three and nine months ended September 30, 2008, respectively.

Costs associated with unproven properties of $11.2 million (2007 - $10.4 million) with respect to the Thai full cost pool have been excluded from the depletion calculation. The capitalized costs associated with Canada and Indonesia are not subject to depletion as production has not commenced.

The Company was not successful in its bid for various oil and gas concessions in India. As a result, capitalized costs of $0.6 million pertaining to India were expensed in the third quarter of 2008 and included in foreign new venture expenditures.

5) SHARE CAPITAL

a) Issued and outstanding Class A common shares

Common Shares	Number of Shares	Amount ($000s)
Balance as at January 1, 2008	45,218,842	98,800
Indonesia acquisition	378,324	4,124
Exercise of stock options	94,600	115
Exercise of underwriters compensation options	78,000	433
Repurchase of shares	(119,900)	(271)
Transfer from contributed surplus	-	61
Balance as at September 30, 2008	45,649,866	103,262

On August 6, 2008 the Company announced that the TSX Venture Exchange approved a share repurchase program through a normal course issuer bid (NCIB) the terms of which permit Pan Orient to purchase up to 2,2288,488 (5%) of its issued and outstanding common shares prior to the expiry on August 10, 2009.

A total of 119,900 common voting shares were acquired to September 30, 2008 at prices ranging from $5.35 to $8.00 per share. Shares purchased pursuant to the NCIB were cancelled and returned to treasury. As the consideration paid exceeded the stated value of the shares, the amount of excess totaling $0.5 million was recorded as a reduction to retained earnings.

b) Options to purchase common shares

	Number of Options	Weighted Average Exercise Price ($)
Balance, January 1, 2008	4,512,150	3.36
Granted	70,000	11.00
Exercised	(94,600)	1.22
Forfeited	(11,050)	2.08
Balance, September 30, 2008	4,476,500	3.52

	Options Outstanding			Options Exercisable		
Exercise Price($)	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price($)	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price($)
0.75	2,217,334	1.55	0.75	2,217,334	1.55	0.75
1.80 - 2.08	66,666	2.16	1.80	44,444	2.16	1.80
2.75 - 3.90	1,403,500	2.66	3.40	1,186,835	2.58	3.45
11.00 - 11.75	789,000	4.25	11.68	197,250	4.25	11.68
0.75 - 11.75	4,476,500	2.38	3.52	3,645,863	2.04	2.23

A Black-Scholes option pricing model is used to estimate the fair value of options on the date of the grant and revalue stock options granted to consultants on a quarterly basis. The fair value of the stock based compensation is amortized over the vesting period of the options, generally being two to three years. Weighted average assumptions and resultant fair values for stock options granted or revalued during the three and nine months ended September 30, 2008 were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Risk free interest rate (%)	2.9	-	3.2	4.5
Expected lives (years)	3	-	3	5
Expected volatility (%)	62	-	62	58
Dividend per share (%)	-	-	-	-
Weighted average fair value ($)	2.40	-	3.76	1.64

Stock based compensation expense totalled $1.1 million in 2008 (2007 - $1.0 million) of which, $0.3 million (2007 - $0.1 million) was capitalized as it related to options granted to employees and consultants engaged in exploration activities.

c) Options to purchase common shares of Andora

Stock-based compensation expense for the nine months ended September 30, 2008 includes the costs associated with 650,000 options that were granted in Andora, a 55.4% owned subsidiary of the Company, which entitles holders to acquire common shares of Andora. A Black-Scholes option pricing model, with assumptions of a 3.6% risk free interest rate, 3 year expected lives, volatility of 20% and no expected dividends was used to estimate the grant date fair value of the options as $0.30 per option. The

fair value of the Andora options was estimated to be $0.2 million, net of expected forfeitures, of which $115,000 was included as stock-based compensation expense and $60,000 was capitalized as it related to employees directly involved in exploration and development activities.

d) Accumulated other comprehensive income

	Three Months Ended September 30		Nine Months Ended September 30	
($000s)	2008	2007	2008	2007
Balance at beginning of period	207	-	(1,722)	-
Unrealized foreign currency translation (loss) gain	(689)	-	1,830	-
Foreign exchange gain (loss) realized	532	-	(58)	-
Balance at end of period	50	-	50	-

e) Income (loss) per share

The number of shares used in basic and diluted net income (loss) per share calculations are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Weighted average basic shares outstanding	45,752,551	41,439,190	45,467,711	40,539,260
Dillutive effect of stock options	3,191,290	3,548,631	3,328,490	-
Weighted average diluted	48,943,841	44,987,821	48,796,201	40,539,260

6) CAPITAL MANAGEMENT

Pan Orient's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas industry. The Company currently has sufficient cash on hand to carry out its planned activities however, in the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

Pan Orient's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There were no changes to the Company's approach to capital management during the year.

7) INCOME TAXES AND SPECIAL REMUNERATORY BENEFIT

The Company is required to pay both income tax and Special Remuneratory Benefit (SRB) on its Thailand operations. The SRB tax was applicable to the Company, on certain of its subsidiaries, commencing in 2008. Income tax is calculated as 50% of cash flow from operations less capital expenditures.

SRB is a complex calculation, performed separately for each of the Company's four concessions, and is not charged until all capital has been recovered on a concession. A calculated SRB rate is applied to petroleum profits less capital spent. The sliding scale SRB rate ranges from 0 - 75% and is principally driven by production and pricing but is also subject to other adjustments such as changes in Thailand's consumer price index, wholesale price index, cumulative meters drilled on the concession and for certain concessions, changes in the exchange rate between the Thai Baht and the U.S. dollar.

As SRB is an annual calculation the amounts recorded at interim periods are based on management assumptions and estimates. The estimated SRB rate for the nine months ended September 30, 2008 was 43% for concession L44, which contributed approximately 89% of production for the nine months ended September 30, 2008, and 0% for concession SW1A, which contributed approximately 11% of production for the nine months ended September 30, 2008. The SRB is deductible from income subjected to Thai income tax therefore the SRB has a net effective rate of approximately 21.5 %.

8) FINANCIAL INSTRUMENTS

Overview

The nature of Pan Orient's operations expose the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net income and comprehensive income.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

Pan Orient's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of oil production; all of the Company's production is sold to a refinery owned by the Thai National Oil Company. Pan Orient is paid for its production on a monthly basis, typically within a week of the end of the month. The Company has assessed the risk of non-collection from the Thai government as minimal. As at September 30, 2008 the Company's accounts receivable from the Thai government was $13.5 million which was collected subsequent to September 30, 2008.

Cash and cash equivalents consist of cash bank balances and short-term deposits maturing in less than 90 days. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits and bankers acceptances and it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company did not have an allowance for doubtful accounts as at September 30, 2008 or December 31, 2007 and did not provide for any doubtful accounts nor was it required to write-off any receivables during the nine months ended September 30, 2008 or September 30, 2007.

As at September 30, 2008 there were no significant amounts past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its work commitments and other financial obligations as they are due. Pan Orient's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meets its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon its operating cash flows. To forecast and monitor liquidity the Company prepares annual operating and capital expenditure budgets which are monitored and updated as considered necessary. Expected future cash flow from the Thailand properties currently exceeds operating and future capital expenditures. Considering these circumstances and the cash balance at September 30, 2008 of $77.3 million, the Company's liquidity risk is assessed as low.

The Company's only contractual financial liabilities are accounts payable and accrued liabilities of $16.2 million which will mature within one year. Taxes payable are not considered a financial instrument and the liability recorded on the balance sheet at September 30, 2008 is an estimate subject to operational results and other factors for the remainder of 2008. However upon final filing and approval of the Company's SRB and income tax returns, Pan Orient will be obligated to remit the calculated amounts, which will be significant.

Market Risk

Market risk is the risk that changes in foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum sales are denominated in Thai baht and all operational and capital activities related to the Thailand properties are transacted in either Thai baht or the U.S. dollar. As well, the underlying market prices in Thailand for petroleum are impacted by changes in the exchange rate between the Thai baht and U.S. dollar.

The Company currently does not have significant exposure to other currencies. The work commitments in Indonesia are expected to be carried out in U.S. dollars.

Changes in foreign exchange rates between the Canadian dollar and the U.S. dollar and Thai baht can affect net income and other comprehensive income as a portion of the Company's operations is considered a self-sustaining foreign operation. As at September 30, 2008 the following financial instruments were denominated in currencies other than the Canadian dollar:

	Thai Baht (000s of Thai Baht)	U.S. Dollar ($000s USD)
Cash and cash equivalents	1,511,699	21,673
Accounts receivable	483,542	744
Deposits	24,000	-
Accounts payable	(195,050)	(3,585)
Taxes payable	(1,766,188)	-
Net exposure	58,003	18,832
Net exposure in CDN dollars[1] ($000s)	1,804	17,819
Effect of a $0.02 change in CDN $ to USD (000s CDN $):		
Pre-tax net income	-	(305)
Other comprehensive income	-	(311)
Effect of a 1.0 baht increase in baht to CDN $ (000s CDN $):		
Other comprehensive income	(1,821)	-

(1) Converted using exchange rate at September 30, 2008

The Company did not have any forward exchange contracts in place as at or during the nine months ended September 30, 2008.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and level of spending for future activities. Prices received by the Company for its production are largely beyond Pan Orient's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand. All of Pan Orient's oil production is sold at spot rates exposing the Company to the risk of price movements.

The Company did not have any commodity price contracts in place as at or during the nine months ended September 30, 2008.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash and cash equivalents which bear a floating rate of interest. The risk is not considered significant as the Company's interest revenue is less than 1% of total revenue.

The Company did not have any interest rate swaps or financial contracts in place as at or during the nine months ended September 30, 2008. For the nine months ended September 30, 2008, a difference in the interest rate of 1.0% would change net income before tax by an estimated $0.3 million, assuming all other variables are constant.

Fair Value of Financial Instruments

The Company's financial instruments as at September 30, 2008 included cash and cash equivalents, accounts receivable, deposits and accounts payable and accrued liabilities. The fair value of these financial instruments, except for the deposits, approximate their carrying amounts due to their short terms to maturity. The fair value of the deposits approximate their carrying value as they bear interest at market rates.

The Company will assess at each reporting period whether financial assets, other than those classified as held-for-trading, are impaired. Any impairment loss will be included in net income for the period.

9) COMMITMENTS AND CONTINGENCIES

At September 30, 2008 $0.8 million USD had yet to be expended on the Company's $1.9 million USD commitment associated with the License 53/48 concession agreement in Thailand.

Pursuant to the terms of the Batu Gajah PSC in Indonesia, the Company is required to complete 500 kilometers of 2D seismic, 400 square kilometers of 3D seismic and drill 3 wells with estimated expenditures of $29.8 million USD, to be completed by January 2010. At September 30, 2008, initial planning activities for the program has been commenced. Upon completion of the work program, Pan Orient has the option to continue on a year by year renewal basis for up to an additional 7 years, upon which time additional commitments will be required.

Commitments on the Citarum PSC in Indonesia, include drilling three exploration wells and completing 750 kilometers of 2D seismic. Estimated costs for the commitments, to be completed by October 2009, are $18.4 million ($23.0 million gross) USD. If the Company exercises its option to continue beyond October 2009, additional commitments will be applicable on a year by year renewal basis. At September 30, 2008 initial planning activities for the seismic program were underway.

10) SEGMENTED INFORMATION

The Company has properties in three industry segments; the exploration for and production of conventional oil and gas in Asia (Thailand and Indonesia) and the development of heavy oil in Canada.

As at and for the nine months ended September 30, 2008 ($000s)

	Canada	Thailand	Indonesia	Total
Revenue	415	111,377	-	111,792
Net Income (loss)	(2,827)	23,946	(180)	20,939
Depletion, depreciation and accretion	148	10,894	-	11,042
Total assets	102,256	94,426	23,839	220,521
Capital expenditures for the period	918	20,858	2,117	23,893

As at and for the three months ended September 30, 2008 ($000s)

	Canada	Thailand	Indonesia	Total
Revenue	85	43,365	-	43,450
Net Income (loss)	(2,114)	11,352	(180)	9,058
Depletion, depreciation and accretion	43	4,957	-	5,000
Total assets	102,256	94,426	23,839	220,521
Capital expenditures for the period	366	11,144	2,117	13,627

11) SUBSEQUENT EVENT

Subsequent to September 30, 2008, the Company's 55.4% owned private subsidiary, Andora Energy Corporation, came to an arrangement with certain dissenting shareholders of Signet Energy Inc., which Andora had combined with in September 2007. These shareholders had excercised their right to dissent to the combination and as such the September 30, 2008, consolidated financial statements contain $3.6 million recorded in accounts payable to these shareholders. The executed arrangement will see Andora issue 2,241,558 Andora shares to the dissenting shareholders as consideration, in lieu of any cash entitlement. Following the completion of the aforementioned, Pan Orient will own 53.3% of Andora.

PAN ORIENT ENERGY CORP.

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