PAN ORIENT ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2011
(Unaudited)

Pan Orient Energy Corp.
Consolidated Statements of Financial Position
(Unaudited)

($000s)	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current			
Cash and cash equivalents	**76,299**	37,061	44,760
Accounts receivable	**12,465**	14,166	13,104
	88,764	51,227	57,864
Deposits	**4,654**	4,628	4,079
Petroleum and equipment (note 6)	**125,574**	118,387	61,441
Exploration and evaluation costs (note 7)	**131,597**	122,467	118,428
	350,589	296,709	241,812
Liabilities			
Current			
Accounts payable and accrued liabilities	**10,925**	11,950	14,287
Taxes payable (note 10)	**13,327**	12,509	14,918
	24,252	24,459	29,205
Deferred tax liabilities (note 10)	**58,062**	54,282	33,693
Decommissioning provision (note 8)	**8,104**	7,390	5,022
	90,418	86,131	67,920
Shareholders' equity (note 9)			
Share capital	**158,335**	110,576	104,846
Contributed surplus	**14,513**	13,569	8,574
Non-controlling interest	**21,313**	18,227	18,705
Accumulated other comprehensive (loss) income	**(3,209)**	2,915	-
Retained earnings	**69,219**	65,291	41,767
	260,171	210,578	173,892
Related parties transaction (note 12)			
Commitments (note 14)			
Subsequent events (note 15)			
	350,589	296,709	241,812

See accompanying notes to the consolidated financial statements.

Pan Orient Energy Corp.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

($000s, except per share amounts)	Three Months Ended March 31 2011	Three Months Ended March 31 2010
Revenue		
Oil	**18,449**	25,038
Royalties	**(1,001)**	(1,610)
Interest	**38**	36
	17,486	23,464
Expenses		
Transportation	**469**	864
Production and operating	**2,137**	2,198
General and administrative	**1,415**	1,354
Depletion and depreciation	**1,862**	1,925
Stock-based compensation	**1,161**	253
Foreign exchange loss	**182**	171
	7,226	6,765
Income before taxes and non-controlling interest	**10,260**	16,699
Taxes (note 10)		
Special remuneratory benefit	**23**	2,169
Current income tax	**985**	4,587
Deferred tax expense	**5,429**	5,913
	6,437	12,669
Net income for the period	**3,823**	4,030
Foreign exchange (loss) on translation of self-sustaining operations	**(6,124)**	(1,126)
Comprehensive (loss) income for the period	**(2,301)**	2,904
Net income attributable to:		
Common shareholders	**3,928**	4,070
Non-controlling interest	**(105)**	(40)
Net income for the period	**3,823**	4,030
Comprehensive income for the period attributable to:		
Common shareholders	**(2,196)**	2,944
Non-controlling interest	**(105)**	(40)
Comprehensive (loss) income for the period	**(2,301)**	2,904
Net income per share attributable to common shareholders (note 9)		
Basic	**$ 0.08**	$ 0.09
Diluted	**$ 0.08**	$ 0.08

See accompanying notes to the consolidated financial statements.

Pan Orient Energy Corp.
Condensed Interim Consolidated Statement of Changes in Equity
(Unaudited)

($000s)	Common Shares	Contributed Surplus	Retained Earnings	AOCI	NCI	Total
Balance as at January 1, 2010	104,846	8,574	41,767	-	18,705	173,892
Net income	-	-	4,070	-	(40)	4,030
Stock-based compensation	-	253	-	-	-	253
Capitalized stock-based compensation expense	-	121	-	-	-	121
Options exercised	1,526	-	-	-	-	1,526
Transfer from contributed surplus	848	(848)	-	-	-	-
Increase in Andora interest	-	(142)	-	-	-	(142)
Transactions effecting non-controlling interest	-	-	-	-	(459)	(459)
Other comprehensive loss	-	-	-	(1,126)	-	(1,126)
Balance as at March 31, 2010	107,220	7,958	45,837	(1,126)	18,206	178,095
Balance as at December 31, 2010	110,576	13,569	65,291	2,915	18,227	210,578
Net income	-	-	3,928	-	(105)	3,823
Stock-based compensation	-	1,161	-	-	-	1,161
Capitalized stock-based compensation expense	-	68	-	-	-	68
Share issued for private placement	49,501	-	-	-	-	49,501
Shares issued for Indonesia acquisition	344	-	-	-	-	344
Share issue costs	(2,945)	-	-	-	-	(2,945)
Options exercised	574	-	-	-	-	574
Transfer from contributed surplus	285	(285)	-	-	-	-
Transactions effecting non-controlling interest	-	-	-	-	3,191	3,191
Other comprehensive loss	-	-	-	(6,124)	-	(6,124)
Balance as at March 31, 2011	158,335	14,513	69,219	(3,209)	21,313	260,171

Pan Orient Energy Corp.
Consolidated Statements of Cash Flows
(Unaudited)

($000s)	Three Months Ended March 31 2011	2010
Cash Provided By (Used in)		
Operating Activities		
Net income	**3,823**	4,030
Items not affecting cash		
Depletion and depreciation	**1,862**	1,925
Accretion	**87**	51
Stock-based compensation	**1,161**	253
Taxes	**6,437**	12,669
Unrealized foreign exchange loss	**-**	164
	13,370	19,092
Taxes paid	**-**	-
Changes in non-cash working capital	**(1,084)**	(2,632)
	12,286	16,460
Investing Activities		
Petroleum and natural gas properties	**(19,972)**	(20,269)
Indonesia acquisition (note 5)	**(1,436)**	-
Deposits	**(187)**	140
Change in non-cash working capital	**2,026**	(1,047)
	(19,569)	(21,176)
Financing Activities		
Issue of common shares	**50,075**	1,526
Share issue costs	**(2,945)**	-
	47,130	1,526
Change in cash and cash equivalents	**39,847**	(3,190)
Effect of foreign exchange on cash balances	**(609)**	(319)
Cash and cash equivalents, beginning of period	**37,061**	44,760
Cash and cash equivalents, end of period	**76,299**	41,251

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 a subsidiary with properties in Northern Alberta. The Company is continually pursuing other oil and natural gas exploration opportunities in Asia.

2) BASIS OF PRESENTATION AND PREPARATION

These interim consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This is the first year for which the Company has adopted IFRS and therefore the interim consolidated financial statements include as comparative information the Company's annual consolidated financial statements for the year ending December 31, 2010 prepared in accordance with IFRS. Previously, the Company prepared its annual and interim consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The consolidated financial statements are presented in Canadian dollars and tabular amounts, except as otherwise indicated and are presented in thousands of dollars. The disclosures concerning the transition from Canadian GAAP to IFRS are included in Notes 3 and 4.

This is the first year for which the Company has adopted IFRS and the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirement in order to present the Company's accounting policies in accordance with IFRS and certain additional disclosure required under IFRS, which also highlight the changes from the Company's 2010 annual consolidated financial statements prepared in accordance with Canadian GAAP.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's principal accounting policies are outlined below:

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated. Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition. All of Company's subsidiaries are wholly owned except for Andora Energy Corporation which is approximately 53.4% of the outstanding Common Shares owned by Pan Orient. The consolidated financial statements include a non-controlling interest representing the 46.6% portion of Andora's assets and liabilities not owned by Pan Orient. Accounting policies are applied consistently throughout all consolidated entities and the reporting dates of the Company and its subsidiaries are coterminous.

(b) Business combinations

Business combinations that occurred prior to January 1, 2010 were not accounted for in accordance with IFRS 3 *Business Combinations* or IAS 27 *Consolidated and Separate Financial Statements* in accordance with the IFRS 1 *First-time Adoption of International Financial Reporting Standards* exemption.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized or at the fair value of the non-controlling interest. Non-controlling interest is presented within equity and when there is a loss of control, a gain or loss is recognized on the sold and retained interests. Increases or decreases in the Company's ownership interest while retaining control is a capital transaction.

(c) Joint Operations

The Company conducts substantially all its oil and gas exploration and production activities with others. These consolidated financial statements reflect the Company's proportionate interest in such activities.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with an original maturity date of three months or less.

(e) Petroleum and Natural Gas exploration, evaluation and development expenditures

Exploration and evaluation ("E&E") Assets

Pre-exploration and pre-licensing costs associated with the investigating, bidding and acquiring petroleum properties are expensed prior to obtaining a petroleum lease or concession.

Cost incurred prior to establishing commercial viability and technically feasibility are initially considered to be E&E assets. This includes costs such as land and lease acquisition costs, and geological and geophysical costs. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable based on several factors including the assignment of proven and probable reserves. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment.

Property, Plant, and Equipment ("PP&E")

Unless initially classified as E&E assets, all costs related to the acquisition, exploration and development of petroleum and natural gas properties are capitalized and are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. These costs include land and lease acquisition costs, geological and geophysical costs, costs of drilling and equipping productive and non-productive wells, decommissioning costs, and carrying costs.

Petroleum and natural gas assets are accumulated in components, which generally are fields or groups of fields and then aggregated into cash generating units ("CGUs"). Depletion is provided on costs accumulated using the unit-of production method based on an independent engineering estimate of the Company's share of proved plus probable reserves, before royalties. Included in the depletion base are estimated future costs to be incurred in developing proved and probable reserves and, excluded are estimated salvage values.

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" or "other expenses" in profit or loss.

Subsequent costs

Cost incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts, including major inspection, of property, plant and equipment are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. The carrying amount of any replaced or sold component is derecognized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit and loss as incurred.

Impairment
An impairment test will be performed whenever events and circumstances indicate that the carrying value of the asset or CGU may exceed the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Exploration and evaluation assets are allocated to the CGU or groups of CGU's to which they relate to for purposes of impairment testing. If there is indication of an impairment loss, the costs carried on the statement of financial position in excess of the recoverable amount are charged to the statement of operations.

Impairment losses from prior periods are assessed at each reporting date for indications that the impairment loss no longer exists or has decreased. Impairment losses can be reversed if there is a change in the estimates used to determine the recoverable amount. Reversal of impairment losses cannot exceed the carrying value of the asset prior to impairment less any depreciation and depletion that would have been taken if no impairment was recognized.

(f) Decommissioning Provision
The Company recognizes the fair value of statutory, contractual or other legal obligations associated with the retirement of assets in the period the asset is incurred, when a reasonable estimate of the fair value can be determined. A corresponding increase to the carrying amount of the related asset is recorded. The liability is increased as accretion is recognized over time through charges to accretion, which is included in finance costs. The costs capitalized to the related assets are amortized to earnings in a manner consistent with the depletion and depreciation of the underlying assets. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of the retirement obligation are charged against the obligation to the extent of the liability recorded.

(g) Revenue Recognition
Revenue is recognized when title passes to the customer and when collection is reasonably assured.

(h) Stock-Based Compensation
The Company accounts for its stock-based compensation using the fair value method of accounting for stock options granted to directors and employees using the Black-Scholes option-pricing model. Stock-based compensation is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Consideration paid upon the exercise of stock options, together with corresponding amounts previously recognized in contributed surplus, is recorded as an increase to share capital. The amount recognized as expense is adjusted for an estimated forfeiture rate for options that will not vest, which is adjusted as actual forfeitures occur, until the shares are fully vested.

(i) Income Taxes
The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets or liabilities are recorded to reflect difference between the accounting and tax base of assets and liabilities, and income tax loss carry forwards. Deferred income taxes are measured using tax rates that are expected to apply to the period when the deferred tax asset is realized or deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The effect of a change in income tax is recognized in income in the period that the change occurs.

Deferred income tax assets are recognized for deductible temporary difference to the extent it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extend it is no longer probable that sufficient taxable profits will be available to allow the asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities relating to the same taxable entity. The Company may also offset deferred tax assets and deferred tax liabilities relating to different taxable entities, where the amounts relate to income taxes levied by the same taxation authority and the entities intend to realize the assets and settle the liabilities simultaneously.

(j) Per Share Amounts

Basic per share information is calculated on the basis of the weighted average number of common shares outstanding during the period. Diluted per share information is calculated using the treasury stock method which assumes that any proceeds received by the Company upon the exercise of in-the-money stock options, plus unamortized stock compensation costs, would be used to buy back common shares at the average market price for the period.

(k) Foreign Currency

Foreign currency transaction:

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations:

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income. When a foreign operation is disposed of, the relevant amount in AOCI (in the cumulative translation account) is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative translation account.

(l) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

The amounts recorded for depletion and depreciation of petroleum and natural gas interests and for the decommissioning provision are based on estimates of petroleum and natural gas reserves and future costs. Proved and probable reserves also provide the basis for determining whether the carrying value of petroleum and natural gas interests is impaired. The determination of stock-based compensation involves estimates of the volatility of the Company’s common shares for future rates and expected life. Income tax expense is calculated using tax rates based on the estimated timing of reversal of temporary differences between accounting and tax values of certain assets and liabilities and involves forecasting the amount of the deferred income tax asset that will be realized. By their nature, these estimates are subject to uncertainty and the impact on the financial statements of future periods could be material.

(m) Financial Instruments

All financial assets, liabilities and financial derivatives are initially recognized on the statement of financial position at fair value and must be classified as one of the following five categories: fair value through profit and loss ("held-for-trading"); held-to-maturity instruments; loans and receivables; available-for-sale financial assets; or other financial liabilities. Loans and receivables, held-to-maturity instruments and other financial liabilities are subsequently measured at amortized cost. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The Company has classified cash and cash equivalents as held-for-trading, accounts receivable and deposits as loans and receivables, and accounts payable and accrued liabilities as other liabilities.

4) FIRST TIME ADOPTION OF IFRS

Presented below are reconciliations of Canadian GAAP to IFRS as indicated:

Consolidated Statement of Financial Position at January 1, 2010 (unaudited)

($000s)	**Canadian GAAP January 1, 2010**	(a) and (f)	(b)	(c) and (f)	(d) and (f)	(e)	**IFRS January 1, 2010**
Assets							
Current							
Cash and cash equivalents	44,760	-	-	-	-	-	44,760
Accounts receivable	13,104	-	-	-	-	-	13,104
	57,864	-	-	-	-	-	57,864
Deposits	4,079	-	-	-	-	-	4,079
Petroleum and equipment	179,838	-	(118,397)	-	-	-	61,441
Exploration and evaluation costs	-	(463)	118,763	-	128	-	118,428
	241,781	(463)	366	-	128	-	241,812
Liabilities							
Current							
Accounts payable and accrued liabilities	14,287	-	-	-	-	-	14,287
Taxes payable	14,918	-	-	-	-	-	14,918
	29,205	-	-	-	-	-	29,205
Deferred tax liabilities	34,812	-	-	(1,119)	-	-	33,693
Decommissioning provision	2,829	-	-	2,193	-	-	5,022
	66,846	-	-	1,074	-	-	67,920
Shareholders' equity							
Share capital	104,846	-	-	-	-	-	104,846
Contributed surplus	8,274	-	-	-	300	-	8,574
Non-controlling interest	18,705	-	-	-	-	-	18,705
Accumulated other comprehensive loss	(4,149)	-	-	-	-	4,149	-
Retained earnings	47,259	(463)	366	(1,074)	(172)	(4,149)	41,767
	174,935	(463)	366	(1,074)	128	-	173,892
	241,781	(463)	366	-	128	-	241,812

Consolidated Statement of Financial Position at December 31, 2010 (unaudited)

($000s)	Canadian GAAP December 31, 2010	Adjust-ments at January 1, 2010	(b)	(c) and (f)	(d) and (f)	(g) and (f)	IFRS December 31, 2010
Assets							
Current							
Cash and cash equivalents	37,061	-	-	-	-	-	37,061
Accounts receivable	14,166	-	-	-	-	-	14,166
	51,227	-	-	-	-	-	51,227
Deposits	4,628	-	-	-	-	-	4,628
Petroleum and equipment	230,296	(118,397)	(4,039)	954	(443)	10,016	118,387
Exploration and evaluation costs	-	118,428	4,039	-	-	-	122,467
	286,151	31	-	954	(443)	10,016	296,709
Liabilities							
Current							
Accounts payable and accrued liabilities	11,950	-	-	-	-	-	11,950
Taxes payable	12,509	-	-	-	-	-	12,509
	24,459	-	-	-	-	-	24,459
Deferred tax liabilities	49,065	(1,119)	-	15	(32)	6,353	54,282
Decommissioning provision	4,274	2,193	-	923	-	-	7,390
	77,798	1,074	-	938	(32)	6,353	86,131
Shareholders' equity							
Share capital	110,576	-	-	-	-	-	110,576
Contributed surplus	12,872	300	-	-	397	-	13,569
Non-controlling interest	18,227	-	-	-	-	-	18,227
Accumulated other comprehensive (loss) income	(1,155)	4,149	-	-	-	(79)	2,915
Retained earnings	67,833	(5,492)	-	16	(808)	3,742	65,291
	208,353	(1,043)	-	16	(411)	3,663	210,578
	286,151	31	-	954	(443)	10,016	296,709

Consolidated Statement of Operations and Retained Earnings for the Year Ended December 31, 2010 (unaudited)

($000s)	**Canadian GAAP Year Ended December 31, 2010**	Adjust-ments at January 1, 2010	(b)	(c) and (f)	(d) and (f)	(g) and (f)	**IFRS Year Ended December 31, 2010**
Revenue							
Oil	103,019	-	-	-	-	-	103,019
Royalties	(6,608)						(6,608)
Interest	118	-	-	-	-	-	118
	96,529	-	-	-	-	-	96,529
Expenses							
Transportation	3,653	-	-	-	-	-	3,653
Production and operating	9,535	-	-	-	-	-	9,535
General and administrative	3,539	-	-	(31)	-	323	3,831
Depletion and depreciation	19,242	-	-		-	(10,418)	8,824
Stock-based compensation	6,160	-	-	-	808	-	6,968
Foreign exchange loss (gain)	353	-	-	-	-	-	353
Foreign new venture expenditures	474	-	-	-	-	-	474
	42,956	-	-	(31)	808	(10,095)	33,638
Income before taxes and non-controlling interest	53,573	-	-	31	(808)	10,095	62,891
Taxes							
Special remunatory benefit	6,413	-	-	-	-	-	6,413
Income tax	14,336	-	-	-	-	-	14,336
Deferred tax expense	12,350	-	-	15	-	6,353	18,718
	33,099	-	-	15	-	6,353	39,467
Net income for the period	20,474	-	-	16	(808)	3,742	23,424
Net income attributable to:							
Common Shareholders	20,574	-	-	16	(808)	3,742	23,524
Non-controlling interest	(100)	-	-	-	-	-	(100)
Net income for the period	20,474	-	-	16	(808)	3,742	23,424
Foreign exchange gain (loss) on translation of self-sustaining operations	2,994	-	-	-	-	(79)	2,915
Comprehensive income for the period	23,468	-	-	16	(808)	3,663	26,339
Retained earnings, beginning of period	47,259	(5,492)	-	-	-	-	41,767
Net income attributable to Common Shareholders	20,574	-	-	16	(808)	3,742	23,524
Retained earnings, end of period	67,833	(5,492)	-	16	(808)	3,742	65,291

Consolidated Statement of Financial Position at March 31, 2010 (unaudited)

($000s)	**Canadian GAAP March 31, 2010**	Adjust-ments at January 1, 2010	(b)	(c) and (f)	(d) and (f)	(g) and (f)	**IFRS March 31, 2010**
Assets							
Current							
Cash and cash equivalents	41,251	-	-	-	-	-	41,251
Accounts receivable	13,992	-	-	-	-	-	13,992
	55,243	-	-	-	-	-	55,243
Deposits	3,860	-	-	-	-	-	3,860
Petroleum and equipment	195,861	(118,397)	(15,923)	104	(42)	1,669	63,272
Exploration and evaluation costs	-	118,428	15,923	-	-	-	134,351
	254,964	31	-	104	(42)	1,669	256,726
Liabilities							
Current							
Accounts payable and accrued liabilities	12,261	-	-	-	-	-	12,261
Taxes payable	21,484	-	-	-	-	-	21,484
	33,745	-	-	-	-	-	33,745
Deferred tax liabilities	39,690	(1,119)	-	4	(8)	1,058	39,625
Decommissioning provision	2,970	2,193	-	98	-	-	5,261
	76,405	1,074	-	102	(8)	1,058	78,631
Shareholders' equity							
Share capital	107,220	-	-	-	-	-	107,220
Contributed surplus	7,731	300	-	-	(73)	-	7,958
Non-controlling interest	18,206	-	-	-	-	-	18,206
Accumulated other comprehensive loss	(5,262)	4,149	-	-	-	(13)	(1,126)
Retained earnings	50,664	(5,492)	-	2	39	624	45,837
	178,559	(1,043)	-	2	(34)	611	178,095
	254,964	31	-	104	(42)	1,669	256,726

Consolidated Statement of Operations and Retained Earnings for the Three Month Ended March 31, 2010 (unaudited)

($000s)	**Canadian GAAP Three Months Ended March 31, 2010**	Adjust-ments at January 1, 2010	(b)	(c) and (f)	(d) and (f)	(g) and (f)	**IFRS Three Months Ended March 31, 2010**
Revenue							
Oil	25,038	-	-	-	-	-	25,038
Royalties	(1,610)						(1,610)
Interest	36	-	-	-	-	-	36
	23,464	-	-	-	-	-	23,464
Expenses							
Transportation	864	-	-	-	-	-	864
Production and operating	2,198	-	-	-	-	-	2,198
General and administrative	1,303	-	-	-	-	50	1,354
Depletion and depreciation	3,664	-	-	(6)	-	(1,732)	1,925
Stock-based compensation	292	-	-	-	(39)	-	253
Foreign exchange loss (gain)	171	-	-	-	-	-	171
	8,492	-	-	(6)	(39)	(1,682)	6,765
Income before taxes and non-controlling interest	14,972	-	-	6	39	1,682	16,699
Taxes							
Special remunatory benefit	2,169	-	-	-	-	-	2,169
Income tax	4,587	-	-	-	-	-	4,587
Deferred tax expense	4,851	-	-	4	-	1,058	5,913
	11,607	-	-	4	-	1,058	12,669
Net income for the period	3,365	-	-	2	39	624	4,030
Net income attributable to:							
Common Shareholders	3,405	-	-	2	39	624	4,070
Non-controlling interest	(40)	-	-	-	-	-	(40)
Net income for the period	3,365	-	-	2	39	624	4,030
Foreign exchange (loss) gain on translation of self-sustaining operations	(1,113)	-	-	-	-	(13)	(1,126)
Comprehensive income for the period	2,252	-	-	2	39	611	2,904
Retained earnings, beginning of period	47,259	(5,492)	-	-	-	-	41,767
Net income attributable to Common Shareholders	3,405	-	-	2	39	624	4,070
Retained earnings, end of period	50,664	(5,492)	-	2	39	624	45,837

(a) Pre-exploration costs

The Company incurred pre-exploration costs related to a joint study agreement in Indonesia which did not result in a production sharing contract. The expenditures related to this agreement were written off in the second quarter of 2010 under Canadian GAAP however, under IFRS they were written off on January 1, 2010. Pre-exploration costs under IFRS are expensed as incurred.

(b) Reclassifications and Other

Exploration and evaluation (E&E) assets
E&E assets consist of the Company's undeveloped properties associated with the following areas:

- Undeveloped portion of Concession SW1/L44;
- Undeveloped portion of Concession L33;
- Undeveloped portion of Concession L53;
- Citarum PSC;
- Batu Gajah PSC;
- South CPP PSC; and
- Sawn Lake.

(c) Decommissioning Costs

Under Canadian GAAP, the decommissioning provision was initially measured as the estimated fair value of the retirement and decommissioning expenditures expected to be incurred at the credit adjusted risk free rate. The decommissioning provision is not re-measured using current discount rates. Under IFRS, the decommissioning provision is measured as the best estimate of the expenditure to be incurred and discounted at the risk-free rate. Under IFRS, the change in discount rates increased the decommissioning provision with an offset recorded in retained earnings.

(d) Stock-based compensation expense

Under Canadian GAAP the Company used the straight line method to expense vested options. The fair value of stock based awards was calculated as one grant and the resulting fair value was recognized on a straight line basis over vesting period. Under IFRS each tranche of an award with different vesting dates is valued separately and the resulting fair value is amortized over the vesting period of the respective tranches.

The Company elected an IFRS 1 exemption for all options issued whereby the stock-based compensation expense and contributed surplus for options that vested prior to the transition date were not required to be restated.

(e) Accumulated other comprehensive income

On the date of adoption of IFRS, the Company elected to reclassify foreign exchange translation losses included in accumulated other comprehensive income recognized in accordance with Canadian GAAP to the retained earnings. As such, the accumulated other comprehensive income at January 1, 2010, which was made up entirely of cumulative translation differences, was reclassified to the retained earnings.

(f) Deferred tax

Upon transition of IFRS, the Company's deferred tax liability is adjusted as a result of the transitional adjustments affecting the carrying value of property, plant, and equipment, exploration and evaluation assets, and decommissioning liabilities.

(g) Depletion

Upon transition to IFRS, the Company adopted a policy of depleting petroleum and natural gas interests on a unit of production basis over proved plus probable reserves. The depletion policy under Canadian GAAP was based on units of production over proved reserves.

5) ACQUISITION ACTIVITIES

Indonesia

During the three months ended March 31, 2011 the Company acquired additional interests in each of its three PSCs through two separate transactions:

1. The repurchase of a 7% carried interest in the Batu Gajah and South CPP PSCs, increasing the Company's interest to 97% for total consideration of USD $1.3 million including the issuance of 28,958 share of Pan Orient at a deemed market value of USD $0.2 million; and
2. The repurchase of an 8% carried interest in the Citarum PSC, increasing the Company's interests to 77% for consideration of USD $0.5 million, including the issuance of 21,719 shares of Pan Orient at a deemed market value of $0.15 million.

Combined consideration of the transactions was $1.8 million CAD as follows:

($000s)	
Consideration:	
Cash	1,417
Transaction costs	19
Total cash consideration	1,436
Shares issued	344
Total	1,780

The acquisition was not considered a business combination under IFRS therefore E&E assets have been increased by the amount of the consideration paid.

Sawn Lake

Andora entered into a binding conveyance agreement in February 2011 to acquire an additional 10% working interest in the Sawn Lake Central and North Blocks. Consideration issued to the vendor in the transaction was 4,433,031 non-voting special warrants of Andora. Each special warrant will entitle the holder thereof to receive one common share of Andora, at no additional consideration and without any further action, upon the happening of a liquidity event involving Andora. If a liquidity event is not completed by November 25, 2011 (subject to extension by the parties), the acquired interests will be reconveyed to the vendor and the warrants will be cancelled. The estimated fair value of the warrants of $3.2 million are included in non-controlling interest.

6) PETROLEUM AND EQUIPMENT

($000s)	Corporate Assets	Thailand Concessions	Indonesia	Total
Cost				
At January 1, 2010	307	61,134	-	61,441
Additions	107	28,634	-	28,741
Foreign currency translation	-	5,442	-	5,442
Transfers from exploration and evaluation	-	29,360	-	29,360
Changes in decommissioning provision	-	2,227	-	2,227
At December 31, 2010	414	126,797	-	127,211
Additions	5	13,826	-	13,831
Foreign currency translation	-	(5,523)	-	(5,523)
Transfers from exploration and evaluation	-	102	-	102
Changes in decommissioning provision	-	627	-	627
At March 31, 2011	419	135,829	-	136,248
Accumulated depreciation and depletion				
At January 1, 2010	-	-	-	-
Charge for the year	(158)	(8,666)	-	(8,824)
At December 31, 2010	(158)	(8,666)	-	(8,824)
Charge for the period	(33)	(1,817)	-	(1,850)
At March 31, 2011	(191)	(10,483)	-	(10,674)
Net book value				
At March 31, 2011	228	125,346	-	125,574
At December 31, 2010	256	118,131	-	118,387
At January 1, 2010	307	61,134	-	61,441

General and administrative and stock-based compensation costs totaling $0.9 million (2010 - $1.2 million) that were directly related to exploration and development activities have been capitalized for the three months ended March 31, 2011.

7) EXPLORATION AND EVALUATION COSTS

A reconciliation of the carrying amount of exploration and evaluation assets as at March 31, 2011 and December 31, 2010 is set out below.

($000s)	Canada	Thailand	Indonesia	Total
At January 1, 2010	56,751	23,832	37,845	118,428
Additions	1,577	14,720	16,086	32,383
Foreign currency translation	-	2,839	(1,823)	1,016
Transfers to petroleum and equipment	-	(29,360)	-	(29,360)
At December 31, 2010	58,328	12,031	52,108	122,467
Additions	3,329	587	6,032	9,948
Foreign currency translation	-	(235)	(481)	(716)
Transfers to petroleum and equipment	-	(102)	-	(102)
At March 31, 2011	61,657	12,281	57,659	131,597

Recoverability of the Canadian and Indonesian capitalized costs is dependent on successfully completing development of the properties. With respect to the Canadian properties, recoverability is also dependent on determining the technical feasibility of the project. Capitalized costs incurred to date do not necessarily represent present or future values.

The carrying value of the Company's unproved Canadian and Indonesian properties are expected to be recoverable and as such no writedown has been recorded.

8) DECOMMISSIONING PROVISION

	Three Months Ended March 31	
($000s)	**2011**	**2010**
Decommissioning provision, beginning of period	**7,390**	5,022
Obligations incurred	**627**	200
Revisions to obligations	**-**	(12)
Accretion	**87**	51
Decommissioning provision, end of period	**8,104**	5,261

The decommissioning provision is based on the Company's net ownership of wells and facilities in Thailand, Indonesia and Canada, management's estimates of costs to abandon and reclaim those wells and facilities and the potential future timing of the costs to be incurred.

Total undiscounted cash flows, escalated at 2.0%, required to settle the Company's decommissioning provision are estimated to be $13.0 million (2010 - $9.1 million). Payments to settle this provision will occur over the operating lives of the underlying assets estimated, for the majority of wells, to be between 2020 and 2025. Estimated costs have been discounted at the risk-free interest rate in the jurisdiction of the expenditure which averaged 4% at March 31, 2011 (2010 – 4%).

9) SHARE CAPITAL

a) Authorized
Unlimited Common Voting Shares
Unlimited Preferred Shares

b) Issued and Outstanding Class A Common Shares

Common Shares	Number of shares	Amount (000s)
Balance as at January 1, 2010	46,313,366	$ 104,846
Exercise of stock options	2,427,500	3,669
Transfer from contributed surplus on exercise of stock options	-	2,061
Balance as at December 31, 2010	48,740,866	110,576
Issued through private placement, net of share issue costs	7,557,264	46,556
Indonesia acquisition (note 5)	50,677	344
Exercise of stock options	195,000	574
Transfer from contributed surplus on exercise of stock options	-	285
Balance as at March 31, 2011	56,543,807	$ 158,335

c) Options to Purchase Common Shares

	Number of options	Weighted average exercise price ($)
Balance as at January 1, 2010	4,441,500	3.66
Granted	2,501,500	7.14
Exercised	(2,427,500)	1.52
Forfeited	(62,500)	7.72
Balance as at December 31, 2010	4,453,000	6.73
Exercised	(195,000)	2.94
Balance as at March 31, 2011	4,258,000	6.90

Subsequent to March 31, 2011, 141,000 options were exercised.

	Options Outstanding March 31, 2011			Options Exercisable March 31, 2011		
Exercise Price ($)	Number of Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)
3.41 – 4.00	906,500	3.70	1.71	766,500	3.72	1.48
4.01 – 6.00	300,000	5.67	3.20	116,667	5.60	3.19
6.01 – 8.00	2,501,500	7.14	3.11	826,335	7.14	3.09
11.75	550,000	11.75	1.71	550,000	11.75	1.71
3.41 – 11.75	4,258,000	6.90	2.63	2,259,502	7.02	2.21

d) Stock-based Compensation

The fair value of the stock options granted has been estimated on the grant dates using the Black-Scholes option pricing. Weighted average assumptions and resultant fair values for stock options granted or revalued during the periods ended March 31, 2011 and 2010 were as follows:

	Three Months Ended March 31	
	2011	**2010**
Risk free interest rate (%)	**2.6**	2.1
Expected lives (years)	**3.0**	4.0
Expected volatility (%)	**64**	79
Dividend per share (%)	**-**	-
Forfeiture rate (%)	**10**	10
Weighted average fair value ($)	**$ 3.70**	$ 4.46

Stock options revalued during the period relate to those held by contractors which represents an insignificant amount of the total options outstanding.

e) Andora Energy Corporation

i) Issued and Outstanding Class A Common Shares

As at March 31, 2011 Andora had 57.3 million (December 31, 2010 – 57.3 million) Common Shares issued and outstanding of which Pan Orient held 53.4% (December 31, 2010 – 53.4%).

ii) Special Warrants

As at March 31, 2011 4,433,031 non-voting special warrants of Andora were outstanding; issued in conjunction with an acquisition completed by Andora (see note 5). Each special warrant entitles the holder thereof to receive one common share of Andora, at no additional consideration and without any further action, upon the happening of a liquidity event involving Andora. If a liquidity event is not completed by November 25, 2011 (subject to extension by the parties), the acquired interests will be reconveyed to the vendor and the warrants will be returned to Andora for cancellation.

iii) Options to Purchase Common Shares of Andora

	March 31, 2011		March 31, 2010	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	5,775,000	$ 0.72	5,175,000	$ 1.42
Expired	-	-	(3,750,000)	1.35
Forfeited	-	-	(100,000)	1.60
Balance, end of period	5,775,000	$ 0.72	1,325,000	$ 1.60

The following stock options of Andora are outstanding and exercisable at March 31, 2011:

	Options Outstanding March 31, 2011			Options Exercisable March 31, 2010		
Exercise Price ($)	Number of Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)
0.72	5,775,000	0.72	3.30	1,262,500	1.60	1.24

Weighted average assumptions and resultant fair values used in the Black Scholes calculations for Andora stock options granted or revalued during the years ended March 31, 2011 and 2010 were as follows:

	Three Months Ended March 31	
	2011	**2010**
Risk free interest rate (%)	**2.7**	1.7
Expected lives (years)	**3**	4
Expected volatility (%)	**40**	20
Dividend per share (%)	**-**	-
Forfeiture rate (%)	**10**	10
Weighted average fair value ($)	**0.25**	0.20

f) Contributed Surplus

	Three Months Ended March 31	
($000s)	**2011**	**2010**
Balance, beginning of period	**13,569**	8,574
Pan Orient stock-based compensation expense	**1,015**	253
Pan Orient stock-based compensation capitalized	**51**	112
Andora stock-based compensation expense	**146**	-
Andora stock-based compensation capitalized	**17**	9
Transferred to share capital on exercise of options	**(285)**	(848)
Increase in Andora interest	**-**	(142)
Balance, end of period	**14,513**	7,958

Capitalized stock-based compensation relates to options granted to individuals engaged in exploration and development activities.

g) Net Income per Share Attributable to Common Shareholders

The basic weighted average and diluted common shares outstanding were as follows:

	Three Months Ended March 31	
	2011	**2010**
Weighted average basic shares outstanding	50,921,489	46,999,233
Dilutive effect of stock options	766,108	1,716,510
Weighted average diluted	51,687,597	48,715,743

Options to purchase 3,001,500 common shares for three months ended March 31, 2011 (March 31, 2010 – 575,000) were not included in the computation of weighted average diluted common shares because they were anti-dilutive.

10) TAXES

The Company is required to pay both Special Remuneratory Benefit (SRB) and income tax in Thailand. Thai income tax is calculated at 50% of taxable income which is basically comprised of cash flow from operations before changes in working capital less capital expenditures and other permitted deductions.

SRB is calculated separately for each of the Company's four concessions and is not charged until all capital has been recovered. 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 and cumulative meters drilled on the concession. The calculated SRB tax rate is applied to petroleum profits as defined in Thai tax legislation which includes a deduction for capital spent.

A summary of tax payable for the three months ended March 31, 2011 and 2010 are as follows:

	Three Months Ended March 31	
($000s)	**2011**	**2010**
Balance, beginning of period	**12,509**	14,918
SRB expense – current period	**23**	2,169
Income tax – current period	**985**	4,587
Foreign exchange	**(190)**	(190)
Balance, end of period	**13,327**	21,484

11) FINANCIAL INSTRUMENTS

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 based on a $USD oil price, 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 work commitments in Indonesia are expected to be carried out in U.S. dollars.

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 (USD). 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 March 31 the following financial instruments were denominated in currencies other than the Canadian dollar:

	As at March 31, 2011		**As at March 31, 2010**	
($000s)	Thai baht (000s of Thai baht)	USD ($000s)	Thai baht (000s of Thai baht)	USD ($000s)
Cash and cash equivalents	**627,318**	**4,556**	874,388	3,350
Accounts receivable	**257,350**	**176**	351,811	681
Deposits	**44,000**	**3,316**	44,000	2,547
Accounts payable	**(198,997)**	**(3,450)**	(208,179)	(4,277)
Taxes payable	**(410,959)**	**-**	(672,321)	-
Net exposure in functional currency	**318,712**	**4,598**	389,699	2,301
Net exposure in Canadian dollars(1) ($000s)	**10,336**	**4,462**	12,401	2,331

(1) Translated at March 31, 2011 and 2010 exchange rates.

Based on financial instruments held at March 31, 2011 and 2010, fluctuations in the exchange rates as indicated below would have the following estimated effect on net income and other comprehensive income:

	As at March 31	
($000s)	**2011**	**2010**
Effect of 1% change in CAD$ to USD exchange rate:		
Pre-tax net income	**(37)**	17
Other comprehensive income	**(4)**	5
Effect of 1% change in CAD$ to baht exchange rate:		
Pre-tax net income	**-**	**-**
Other comprehensive income	**104**	125

The Company did not have any forward exchange contracts in place as at or during the three months ended March 31, 2011 or 2010.

12) RELATED PARTIES TRANSACTION

In 2011 Pan Orient remitted to the Canada Revenue Agency $74,588 on behalf of the President and Chief Executive Officer of the Company. This amount represents the required tax remittance on the benefit related to exercise of 90,000 stock options of the Company. Pursuant to the agreement between the Company and the CEO, the Company will be reimbursed for the remitted amount and accrued interest, at the HSBC Bank Canada reference rate plus 1%, by April 30, 2012. Security for the payment consists of 18,000 Pan Orient Common Shares pledged to the Company.

13) SEGMENTED INFORMATION

The Company has properties in three countries, each of which is considered a separate operating segment. The three segments consist of: 1) partially developed conventional petroleum and natural gas properties in Thailand; 2) undeveloped petroleum and natural gas properties in Indonesia; and 3) an undeveloped heavy oil property in Canada. The following table provides information for each geographical segment as at and for the three months ended March 31:

	Three Months Ended March 31	
($000s)	**2011**	**2010**
Petroleum revenue		
Thailand	**18,449**	25,038
Indonesia	**-**	-
Canada	**-**	-
Total	**18,449**	25,038
Current income tax expense (1)		
Thailand	**1,008**	6,756
Indonesia	**-**	-
Canada	**-**	-
Total	**1,008**	6,756
Depletion and depreciation		
Thailand	**1,819**	1,802
Indonesia	**11**	83
Canada	**32**	40
Total	**1,862**	1,925
Net income (loss) attributable to common shareholders		
Thailand	**5,459**	4,325
Indonesia	**(14)**	(133)
Canada	**(1,517)**	(122)
Total	**3,928**	4,070
Capital expenditures (2)		
Thailand	**14,414**	13,419
Indonesia	**5,490**	6,787
Canada	**68**	63
Total	**19,972**	20,269

(1) Includes SRB and income tax.
(2) Does not include acquisition activities.

14) COMMITMENTS

As at March 31, 2011 the Company's estimated outstanding capital commitments were as follows:

Country and Concession Name	Remaining Work Program Commitment	Obligation Period Ending	Estimated Net Financial Commitment USD ($000s)	Estimated Net Financial Commitment CAD ($000s) (1)
Thailand				
L 44/43	▪ study and training fund	July 2012	18	17
L33/43	▪ geological studies	July 2012	30	29
	▪ study and training fund		18	17
L 53/48	▪ drill 2 exploration wells	January 2013	650	632
	▪ geological studies		55	53
	▪ study and training fund		47	46
Total Thailand			818	794
Indonesia (2)(3)				
Citarum	▪ drill 3 exploration wells	October 2011	12,846	12,483
Batu Gajah	▪ 400 km^2 3D seismic	January 2012	19,307	18,762
	▪ drill 2 exploration wells			
South CPP	▪ 200 km 2D seismic	November 2011	5,511	5,514
	▪ drill one exploration well			
Total Indonesia			37,664	36,759
Consolidated Total			38,482	37,553

(1) Translated at March 31, 2011 exchange rates.
(2) Amounts recorded in the financial statements and work commitments related to these PSCs include amounts paid by Pan Orient on behalf of a partner's carried interest (3% for each PSC).
(3) Does not include planned capital activities with respect to the East Jabung PSC.

Indonesia financial commitments as provided above represent the work program required under the initial 3-year exploration period of the PSC. With respect to Citarum and Batu Gajah, extension of this initial exploration period has been successfully negotiated with the Government of Indonesia (GOI) to the dates indicated above. If Pan Orient exercises its options to continue beyond the exploration period, additional commitments will be determined on a year-by-year basis through submission of a work program and approval from the GOI.

Although extension of the exploration period is a departure from the original contract, it is considered standard practice in Indonesia. In the past, such applications on behalf of Pan Orient have been approved by the GOI and management has no reason to believe that future requests will not be granted approval, however there is no guarantee. Upon default of a commitment related to any of the first three years of a PSC the operator is required to relinquish 15% of the original PSC area, the actual acreage at the discretion of the operator. To date, both Citarum and Batu Gajah have complied with these penalty relinquishments. Depending on the stage of the PSC, failure to fulfill the required commitments may also result in penalty payment equal to the unspent commitments and/or forfeiture of the PSC.

The expenditures as provided in the table above represent management's estimates of the minimum amounts required to fulfill the work program requirements in Thailand and Indonesia. Actual expenditures required to carry out these commitments may be significantly different from the estimates. The Company intends to fund commitments through existing cash surplus, expected cash flows from Thailand operations and funds from the 2011 financing.

15) SUBSEQUENT EVENTS

Subsequent to March 31, 2011 the Company was notified by the Government of Indonesia that it was the successful bidder on a 100% working interest basis for the 6,228 km^2 East Jabung PSC. Official signing of the PSC is anticipated shortly and initial plans are for one well in the first contract year followed by 2D seismic acquisition in year two and a second well in year three. These planned activities are not included in the Company's commitments as at March 31, 2011.