Gaffney, Cline & Associates (Consultants) Pte Ltd
Technical and Management Advisers to the Petroleum Industry Internationally Since 1962

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DSA/pml/L0171/2007/KK1029.00 **1st May, 2007**

Mr. Jeff Chisholm
President and Chief Executive Officer
PAN ORIENT ENERGY CORP.
101 – 6th Avenue SW, Suite 650,
Calgary T2P 3P4,
Canada.

Dear Jeff,

CRUDE OIL RESERVE CERTIFICATE
L44/43 and L33/43 Concessions, Phetchabun Basin, Onshore Thailand
As of December 31, 2006

This Reserve Certificate has been prepared by Gaffney, Cline & Associates (GCA) at the request of PAN ORIENT ENERGY CORP (POE). GCA has conducted an independent examination as of December 31, 2006, of the Proved and Proved plus Probable crude oil reserves in the L44/43 and L33/43 concession areas. On the basis of technical and other information made available to us concerning these property units, we hereby provide this Reserve Certification statement given in **Table 1** on a net working interest volume basis.

A further breakdown is provided in **Table 2** for the L44/43 concession only, between the two established Production Licence (PL1 and PL2) areas and areas outside of PL1 and PL2.

It is GCA's considered opinion that the estimates of total crude oil volumes as of December 31, 2006, are, in aggregate, reasonable and in its certification, GCA has used the July 2003 "National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities", and the June 2002 "Section 5 of Volume 1 of the Canadian Oil and Gas Evaluation Handbook (COGEH)", by the SPEE (Calgary Chapter).

Further to the tables mentioned above, **Appendix I** presents the detailed reserves reporting required for inclusion in the Company's filing of Form 51-101F1.

This audit examination was based on information provided to GCA through April, 2007, and included mainly production data, costs and sales price information as well as general information regarding POE's plans for further field development. This report represents an update of previous audits undertaken by GCA, the latest being an update as of December 31, 2005. The Company was very active during 2006 with the drilling of wells from 12 July 2006 to 31 December 2006 and the acquisition of 248 km^2 of 3D seismic. This has resulted in the POE-9 discovery in a volcanics reservoir and confirmation of an extension to the Wichian Buri main field through the POE-6 well. In addition, production has now been established, albeit in small quantities, from the deeper G and H sands.

The acquisition of the new 3D seismic data has resulted in revised mapping over the Wichian Buri area and also in particular more detailed fault definition. In addition, the POE-9 discovery is new and was put on production during the month of January, 2007, which will provide essential information for assessing the sustainability of production from the volcanics reservoir. This new data was only available to GCA in early April and given the time limitations and the fact that some of this work is still ongoing, GCA considers that the results presented in this report could be viewed as conservative, even at the probable level.

The report is also meant to reflect a reserves position as at end December, 2006 and it is anticipated that, with the results of the current intensive drilling campaign plus the information from extended production of the volcanics reservoirs in the block, reserve estimates are likely to increase in the near future.

All questions that arose during the course of the certification process were resolved to our satisfaction. The reported hydrocarbon reserves are an estimate based on professional engineering judgment and are subject to future revisions, upward or downward, as a result of future operations or as additional information becomes available.

For this assignment, GCA served as independent reserve auditors. The firm's Senior Partners, Officers and employees have no direct or indirect interest holding in PAN ORIENT ENERGY CORP. GCA's remuneration was not in any way contingent on reported reserve estimates. No representations are made herein in respect of property title or encumbrances thereon. This report has been prepared for PAN ORIENT ENERGY CORP, and should not be used for purposes other than those for which it is intended.

Yours sincerely,
GAFFNEY, CLINE & ASSOCIATES (CONSULTANTS) PTE LTD

David S. Ahye
Regional Manager, Asia Pacific

TABLE 1

Certificate of Net Crude Oil Reserve Volumes
L44/43 and L33/43 Concession Areas
As of December 31, 2006
(MMSTB)

	Proved	Proved plus Probable
L44/43		
Wichian Buri Main		
F sand	0.229	2.301
G sand	0.093	0.973
H Sand	0.012	0.092
Total	**0.334**	**3.366**
POE-6 Block	**0.031**	**0.147**
POE-9 Volcanics	**0.156**	**0.589**
Si Thep	**0.018**	**0.366**
GRAND TOTAL	**0.539**	**4.469**

Notes:

1. Oil volumes are reported in millions of stock tank barrels (MMSTB).
2. Volumes are stated on a net working interest basis. Pan Orient Energy Corporations' working interest in the L44/43 concession is 60%.
3. No volumes are presented for the L33/43 concession as they are considered Possible reserves and were not estimated in this year's audit.
4. These volumes include royalties due to other parties.
5. Cumulative production from the Wichian Buri field (including the POE-6 block) to December 31, 2006 was 797,959 barrels oil.
6. Cumulative production from the Si Thep field to December 31, 2006 was 53,854 barrels oil.
7. The POE-9 discovery was not yet on production as at December 31, 2006.
8. Totals may not add exactly due to rounding errors.

TABLE 2

Certificate of Net Crude Oil Reserve Volumes
L44/43 Concession and PL1/PL2 Production areas
As of December 31, 2006
(MMSTB)

	Proved	Proved plus Probable
L44/43		
PL1 and PL2		
F sand	0.229	1.303
G sand	0.076	0.392
H Sand	0.012	0.092
Total	**0.317**	**1.786**
Outside PL1 & PL2		
Wichian Buri Main		
F sand	-	0.998
G sand	0.017	0.581
H sand	-	-
Total	**0.017**	**1.580**
POE-6 Block	**0.031**	**0.147**
POE-9 Discovery	**0.156**	**0.589**
Si Thep	**0.018**	**0.366**
GRAND TOTAL	**0.539**	**4.469**

Notes:
1. Oil volumes are reported in millions of stock tank barrels (MMSTB).
2. Volumes are stated on a net working interest basis. Pan Orient Energy Corporation's working interest in the L44/43 concession is 60%.
3. These volumes include royalties due to other parties.
4. Totals may not add exactly due to rounding errors.

APPENDIX 1

FORM 51-101F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION
OF PAN ORIENT ENERGY CORPORATION

PART 1 RELEVANT DATES

Item 1.1 Effective date:

The effective date of the reserves estimates and revenue projection in this statement is December 31, 2006.

Item 1.2 Data date:

Estimates of reserves and projections of production were generally prepared using data to April 30, 2007. Pan Orient Energy Corp. (the "Corporation") has provided Gaffney, Cline and Associates ("GCA") with a representation letter confirming that complete and correct information has been provided to GCA.

Item 1.2 Preparation Date:

The preparation date of this report is April 30, 2007. As of the preparation date, Pan Orient Energy Corp. and its independent reserves calculator, Gaffney, Cline & Associates (GCA) are not aware of any new information which could materially impact this evaluation.

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Constant Prices and Costs)

	SUMMARY OF CRUDE OIL RESERVES	
SW 1 Block Thailand Reserves Category	Company Gross (Mbbl)	Company Net (Mbbl)
PROVED		
Developed	234	222
Undeveloped	305	290
TOTAL PROVED	**539**	**512**

Notes:

1. Company Gross Reserves: These are working interest owner's share of gross reserves before the deduction of royalties. Royalty interest share of reserves is included in this category.
2. Company Net Reserves: These are the working interest owner's share of gross reserves after the deduction of state and overriding royalties. Royalty interest share of reserves is not included in this category.

Summary of Pan Orient Energy Corp. Net Present Values of Future Net Revenue
As of January 1, 2007
(Constant Prices and Costs)

	NPV OF FUTURE NET REVENUE (CONSTANT PRICES & COSTS)			
	BEFORE INCOME TAXES DISCOUNTED AT (% PER YR)		AFTER INCOME TAXES DISCOUNTED AT (% PER YR)	
	0%	10%	0%	10%
Reserves Category	Cnd$M	Cnd$M	Cnd$M	Cnd$M
PROVED				
Developed	6,751	6,199	6,751	6,199
Undeveloped	3,673	2,092	3,673	2,092
TOTAL PROVED	**10,424**	**8,292**	**10,424**	**8,292**

Exchange Rate: US$ 1 = CND$ 1.161

Summary of Pan Orient Energy Corp. Future Net Revenue
(Undiscounted)
As of January 1, 2007
(Constant Prices and Costs)

Reserves Category	REVENUE	ROYALTIES	OPERATING COSTS	DEVELOPMENT COSTS	WELL ABANDONMENT AND RECLAMATION COSTS	FUTURE NET REVENUE BEFORE FUTURE INCOME TAX	FUTURE INCOME TAXES	FUTURE NET REVENUE AFTER FUTURE INCOME TAXES
	Cnd$M	Cnd$M	Cnd$M	Cnd$M	Cnd$M	Cnd$M	Cnd$M	Cnd$M
Proved Reserves	28,436	2,480	6,049	9,484		10,424		10,424

Exchange Rate: US$ 1 = CND$ 1.161

Item 2.2 Reserves Data (Forecast prices and Costs)

SW 1 Block Thailand Reserves Category	**SUMMARY OF CRUDE OIL RESERVES** Company Gross (Mbbl)	Company Net (Mbbl)
PROVED		
Developed	234	222
Undeveloped	305	290
TOTAL PROVED	**539**	**512**
PROBABLE	3,930	3,733
TOTAL PROVED PLUS PROBABLE	**4,469**	**4,245**

Summary of Pan Orient Energy Corp. Net Present Values of Future Net Revenue As of January 1, 2007 (Forecast Prices and Costs)

	NPV OF FUTURE NET REVENUE (FORECAST PRICES AND COSTS)									
	BEFORE INCOME TAXES DISCOUNTED AT (% PER YEAR)					AFTER INCOME TAXES DISCOUNTED AT (% PER YEAR)				
Reserves Category	0% Cnd$M	5% Cnd$M	10% Cnd$M	15% Cnd$M	20% Cnd$M	0% Cnd$M	5% Cnd$M	10% Cnd$M	15% Cnd$M	20% Cnd$M
PROVED										
Developed	6,010	5,766	5,547	5,349	5,168	6,010	5,766	5,547	5,349	5,168
Undeveloped	2,057	1,391	837	373	-19	2,057	1,391	837	373	-19
TOTAL PROVED	**8,067**	**7,158**	**6,384**	**5,722**	**5,149**	**8,067**	**7,158**	**6,384**	**5,722**	**5,149**
PROBABLE	105,641	88,430	75,031	64,422	55,895	55,376	46,627	39,796	34,371	29,997
TOTAL PROVED PLUS PROBABLE	**113,708**	**95,588**	**81,416**	**70,144**	**61,044**	**63,443**	**53,785**	**46,180**	**40,092**	**35,146**

Exchange Rate: US$ 1 = CND$ 1.161

Summary of Pan Orient Energy Corp. Future Net Revenue
(Undiscounted)
As of January 1, 2007
(Forecast Prices and Costs)

Reserves Category	REVENUE Cnd$M	ROYALTIES Cnd$M	OPERATING COSTS Cnd$M	DEVELOPMENT COSTS Cnd$M	WELL ABANDONMENT AND RECLAMATION COSTS Cnd$M	FUTURE NET REVENUE BEFORE FUTURE INCOME TAX Cnd$M	FUTURE INCOME TAXES Cnd$M	FUTURE NET REVENUE AFTER FUTURE INCOME TAXES Cnd$M
Proved Reserves	26,169	2,282	6,296	9,524		8,067		8,067
Proved Plus Probable Reserves	201,105	18,011	42,959	26,427		113,708	50,265	63,443

Exchange Rate: US$ 1 = CND$ 1.161

Summary of Pan Orient Energy Corp. Future Net Revenue
(10% Discount)
As of January 1, 2007
(Forecast Prices and Costs)

Reserves Category	REVENUE Cnd$M	ROYALTIES Cnd$M	OPERATING COSTS Cnd$M	DEVELOPMENT COSTS Cnd$M	WELL ABANDONMENT AND RECLAMATION COSTS Cnd$M	FUTURE NET REVENUE BEFORE FUTURE INCOME TAX Cnd$M	FUTURE INCOME TAXES Cnd$M	FUTURE NET REVENUE AFTER FUTURE INCOME TAXES Cnd$M
Proved Reserves	22,211	1,937	4,986	8,904		6,384		6,384
Proved Plus Probable Reserves	143,570	12,895	26,960	22,300		81,416	35,235	46,180

Exchange Rate: US$ 1 = CND$ 1.161

The Company only produces and sells one product type which falls under the light and medium crude oil category.

Item 2.3 Disclosure: Subsidiary Ownership

(To be addressed by the Company, if relevant)

PART 3 PRICING ASSUMPTIONS

Item 3.1 Constant Prices Used in Estimates

The crude oil price used for the Constant Price analysis was US$ 47.00 /barrel, taken from an averaged sales price in December 31, 2006.

Item 3.2 Forecast Prices Used in Estimates

Present economic analysis by GCA suggests that the field will continue production at economic rates until the end of Year 2012 and 2015 for Proved and Proved + Probable cases respectively. From the historical average in 2006, Wichian Buri crude was trading at a ratio of 71.23 % to the WTI marker crude price. Using the WTI price forecast provided by Pan Orient, below are the Wichian Buri forecast prices.

2007:	US$ 44.52 /barrel
2008:	US$ 43.59 /barrel
2009:	US$ 42.60 /barrel
2010:	US$ 41.60 /barrel
2011:	US$ 40.46 /barrel
2012:	US$ 41.31 /barrel
2013:	US$ 42.10 /barrel
2014:	US$ 42.95 /barrel
2015:	US$ 43.81 /barrel
2016:	US$ 44.66 /barrel
2017:	US$ 45.59 /barrel
2018:	US$ 46.51 /barrel
2019:	US$ 47.44 /barrel
2020:	US$ 48.37 /barrel

Other assumptions used in the economic analysis are below:

- Cost escalation (forecast price & costs only): 2.0% per annum.
- State royalty:

Volume of petroleum sold during the month	%
Less than or equal to 60,000 bbl	5.00
Portion between 60,000 to 150,000 bbl	6.25
Portion between 150,000 to 300,000 bbl	10.00
Portion between 300,000 to 600,000 bbl	12.50
Portion exceeding 600,000 bbl	15.00

- Thai tax rate applicable under Thai III Concession Terms is 50%.
- Gemini overriding royalty agreed between Pan Orient and Gemini has been included in the NPV calculation.

- No abandonment costs are assumed for this evaluation since there are no abandonment obligations under the current Thailand concessionary system.

- Gross loss carried forward of US$4.14 MM and unamortized capital available for tax purposes of US$9.27 MM were included in the calculations. These numbers represent 60% Pan Orient's interest.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE REVENUE

Item 4.1 Reserves Reconciliation

The reconciliation of the reserves from end 2004 to end 2005 pertaining to the SW1 Block is shown below.

	Net Proved (Mbbl)	Net Probable (Mbbl)	Net Proved + Probable (Mbbl)
December 31, 2005	441	9,196	9,637
Extensions	-	-	-
Improved Recovery	-	-	-
Technical Revisions	-33	-5,699	-5,732
Discoveries	156	433	589
Acquisitions	-	-	-
Dispositions	-	-	-
Economic Factors	-	-	-
Production	-25	-	-25
December 31, 2006	539	3,930	4,469

Item 4.2 Future Net Revenue Reconciliation (Still to be completed)

The reconciliation of the future net revenue (constant prices and costs), attributable to total Proved reserves, from end 2005 to end 2006 pertaining to the SW1 Block is shown below.

FACTOR	2007 (Cnd$M)
Estimated Future Net Revenue Discounted at 10% at December 31, 2005	
Sales and Transfers of Oil and Gas Produced, Net of Production Costs and Royalties	
Net Change in Prices, Production Costs and Royalties Related to Future Production	
Changes in Previously Estimated Development Costs During the Period	
Changes in Estimated Future Development Costs	
Extensions and Improved Recovery	
Discoveries	
Acquisitions (Dispositions) of Reserves	
Net Change Resulting from Revisions in Quantity Estimates	
Estimated Future Net Revenue Discounted at 10% at December 31, 2006	

Exchange Rate: US$ 1 = CND$ 1.161