MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Pan Orient Energy Corp. ("**Pan Orient**")
1505, 505 - 3rd Street S.W.
Calgary, AB T2P 3E6

ITEM 2 Date of Material Change:

September 19, 2007

ITEM 3 News Release:

A news release announcing the material change was issued on September 19, 2007.

ITEM 4 Summary of Material Change:

Pan Orient's majority-owned subsidiary, Andora Energy Corporation ("**Andora**"), has completed a business combination ("**Combination**") with Signet Energy Inc. ("**Signet**").

ITEM 5 Full Description of Material Change:

Signet is a Calgary based independent private company focused on the delineation of and development of heavy oil production from the oil sands resource located in the Sawn Lake area of Alberta's Peace River oil sands region.

The Combination was effected by way of a plan of arrangement under the *Business Corporations Act* (Alberta) whereby Andora issued an aggregate 10,741,128 common shares to securityholders of Signet of which 1,500,000 common shares are to be held in escrow for a period of up to 10 years. Pan Orient now owns approximately 53.5% of the issued and outstanding common shares of Andora, and has warrants which, if exercised, would increase Pan Orient's ownership to approximately 55.4%. Andora has cash of approximately $3.2 million.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

The report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

ITEM 7 Omitted Information:

No significant information has been omitted.

ITEM 8 Executive Officer:

Jason Bednar
Vice-President, Finance, Chief Financial Officer and Corporate Secretary
Telephone: (403) 294-1770

ITEM 9 Date of Report:

September 25, 2007