



**PAN ORIENT ENERGY CORP.**  
**Press Release**  
**2020 First Quarter Financial & Operating Results**

**CALGARY, May 14, 2020**

Pan Orient Energy Corp. ("Pan Orient" or the "Company") (POE – TSXV) reports 2020 first quarter consolidated financial and operating results. *Please note that all amounts are in Canadian dollars unless otherwise stated, BOPD refers to barrels of oil per day and BOPD for Thailand operations represents volumes net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture.*

The Company is today filing its unaudited consolidated financial statements as at and for the three months ended March 31, 2020 and related management's discussion and analysis with Canadian securities regulatory authorities. Copies of these documents may be obtained online at [www.sedar.com](http://www.sedar.com) or the Company's website, [www.panorient.ca](http://www.panorient.ca).

Commenting today on Pan Orient's 2020 first quarter results, President and CEO Jeff Chisholm stated: "Pan Orient currently sits in the position of being one of the lowest cost oil producers in Southeast Asia with operating expenses of \$6.85 per barrel in Q1 2020. Although the Brent crude oil reference price decreased 22% during the first quarter, the realized price for Concession L53 crude increased 2% to \$63.63 per barrel as a result of a new crude oil sales agreement effective February 1, 2020, and a higher exchange rate for the United States dollar. The Concession L53 realized oil price in April 2020 compared to the Brent reference price was a 22% premium. Production through the first quarter of 2020 was strong, averaging 1,186 BOPD and continued strong into April with an average of 1,184 BOPD despite the shut-in of approximately 77 BOPD. The volumes shut-in are 17 BOPD of higher operating expense production and 60 BOPD from the L53-DD5ST1 well, which is awaiting government approval of an L53-AA South Production License that is anticipated in late June 2020.

The Company plans to commence the second phase of the Thailand drilling program in June, with the exact timing subject to the lifting of the Thailand interprovincial 14 day mandatory quarantine period currently in place. The program will be fully funded by cash flow generated from Thailand operations and consists of two firm exploration wells and one water disposal well. Two additional appraisal wells at the L53DD field await final government approval expected in late June 2020 and will be deferred to the latter part of 2020.

The Company has put all plans with regard to the Sawn Lake SAGD heavy oil asset on hold for the foreseeable future and has recorded a non-cash \$57.6 million net impairment expense on this asset at March 31st.

During the period of January 1 to April 20, 2020, 1,536,500 common shares were repurchased under the Company's normal course issuer bid at an average price of \$0.59 per share. The Company plans to continue the repurchase of its shares from time to time based on the Company's share price in the market and subject to regulatory black-out periods.

In summary, at multiple levels Pan Orient has been diligently positioned to withstand the events that are currently impacting the global economy and oil industry. Despite these headwinds, the Company will continue with a growth mind set while keeping Thailand capital expenditures funded by Thailand operations after tax cash flow. Pan Orient holds a total of \$32.2 million in working capital and non-current deposits, including the Thailand joint venture, at March 31, 2020. The Company's strong cash balance, held mainly as cash denominated in United States dollars and Thailand Baht, will allow the flexibility to take advantage of any opportunities that may present themselves in this unique environment."

## **HIGHLIGHTS**

### **Thailand (net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture)**

- The first phase of the 2020 drilling program was completed in the first quarter with four wells:
  - The L53-DD6ST2 appraisal well in the L53-DD field was placed on production February 11<sup>th</sup> and added, on average, 262 BOPD in February and 308 BOPD in March, net to Pan Orient's 50.01% equity interest. Test results are not necessarily indicative of long-term performance or ultimate recovery.
  - The L53-AA2 exploration well represents a potential new pool discovery and confirmation of the potential of this well through a 90 day production test period will commence as soon as the Thailand interprovincial mandatory quarantine period is lifted.
  - The L53-AA1 exploration well, targeting a structural closure approximately 1.2 kilometers due south of the L53-AA2 well AA sand penetration, was abandoned after failing to encounter oil bearing sands.
  - The L53-AAST1 sidetrack exploration well targeted a structural closure separate and up dip and due west of the L53-AA2 exploration well, but also failed to encounter oil bearing sands.
  - In addition to these four wells, the L53-BB1 exploration well commenced drilling on February 4<sup>th</sup> at a surface location 1.1 kilometers north of the L53-DD wellpad. Drilling was suspended three days later at 150 meters true vertical depth, far above the estimated depths of any potential reservoir targets, in order to reinforce the

L53BB wellpad. This work has been completed and the drilling of L53-BB1 will recommence as the first well of the second phase of the drilling program.

- Net to Pan Orient's 50.01% equity interest in the Thailand Joint Venture, oil sales from Concession L53 in the first quarter of 2020 were 1,186 BOPD, with 791 BOPD from the L53-DD field. Oil sales averaged 1,184 BOPD in April 2020 and the April realized oil price was US\$22.70, a 22% premium to the Brent reference price.
- Concession L53 field netback was \$51.16 per barrel in the first quarter of 2020, an increase of 3% from \$49.52 per barrel in the fourth quarter of 2019. Field netback during the first quarter of 2020 on a per barrel of oil basis, was a realized price of \$63.63, less a 5% royalty to the Thailand government of \$3.28, transportation expenses of \$2.33 and operating expenses of \$6.85. Although the Brent crude oil reference price decreased 22% to US\$48.94 during the first quarter of 2020, the realized price increased 2% resulting from a new crude oil sales agreement effective February 1, 2020 and a higher exchange rate for the US dollar. The Concession L53 realized price as compared to the Brent reference price in 2020 was 83% in January, 98% in February and 113% in March.
- Strong financial results in Thailand in the first quarter of 2020, net to Pan Orient's share of the Thailand Joint Venture, with adjusted funds flow from operations of \$3.7 million (\$34.11 per barrel) primarily funding capital expenditures of \$3.8 million, a \$4.3 million dividend paid to Pan Orient in January 2020, and Thailand Joint Venture working capital and long-term deposits at March 31, 2020 of \$5.9 million.

Indonesia East Jabung Production Sharing Contract (Pan Orient is non-operator with a 49% ownership interest)

- Following the unsuccessful Anggun-1X exploration well in the fourth quarter of 2019, the operator of the East Jabung Production Sharing Contract ("PSC") provided notice to the Government of Indonesia in January 2020 of withdrawal from the East Jabung PSC and is determining final steps to be taken for formal approval of the expiry from the GOI, including reclamation requirements.
- Pan Orient is withdrawing from operations in Indonesia and the office in Jakarta was closed March 31, 2020.
- Activities of the Company in Indonesia are reported in 2020 as discontinued operations. For the first quarter of 2020, discontinued operations in Indonesia was \$343 thousand in expenses, with \$61 thousand of G&A expense and \$282 thousand in realized and unrealized foreign exchange losses on currency exchange rates since the end of 2019.

Sawn Lake (Operated by Andora Energy Corporation, in which Pan Orient has a 71.8% ownership)

- Since mid-March 2020 there has been a severe decline in crude oil prices due to geopolitical events and the collapse of global demand for crude oil resulting from COVID-19. This has resulted in dramatically lower prices for heavy oil and bitumen, and deterioration in the economics for commercial expansion at Sawn Lake. In the current market there is no expected commercial development at Sawn Lake. The Company reported a non-cash impairment charge of \$85.8 million on Sawn Lake Exploration and Evaluation assets in the first quarter of 2020 offset by the associated \$5.6 million reduction in deferred tax liabilities for a net impairment expense of \$80.2 million. The net impairment charge of \$80.2 million is reported as \$57.6 million attributable to common shareholders of Pan Orient and \$22.6 million attributable to the non-controlling interest (being the other shareholders of Andora).
- Capital expenditures in the first quarter of 2020 for Andora were \$85 thousand for capital expenditures at Sawn Lake, capitalized operating expenses for the suspended demonstration project facility and wellpair at Sawn Lake Central and capitalized G&A. Subsequent to the impairment of Sawn Lake recorded at March 31, 2020, no operating expenses or G&A will be capitalized.

Corporate

- Total corporate adjusted funds flow from operations (including Pan Orient's 50.01% equity interest in the Thailand Joint Venture) of \$4.4 million (\$0.08 per share) in the first quarter of 2020. The increase from \$3.2 million (\$0.06 per share) in the fourth quarter of 2019 is largely due to foreign exchange gains of \$1.5 million in Canada on cash holdings denominated in US dollars.
- The loss attributable to common shareholders for the first quarter of 2020 was \$57.1 million (\$1.05 loss per share), resulting from a net \$57.6 million impairment charge for the Sawn Lake, Alberta Exploration and Evaluation assets.
- Under the normal course issuer bid Pan Orient is authorized to purchase, for cancellation, up to 4,504,064 of its common shares (10% of the public float) during the period of May 16, 2019 to May 16, 2020. To May 14, 2020 Pan Orient has repurchased 2,190,900 common shares at an average price of \$0.78 per share, with 1,536,500 common shares repurchased during the period of January 1 to April 20, 2020 at an average price of \$0.59 per share. As at May 14, 2020 there are 53.0 million common shares outstanding. The Company intends to renew the normal course issuer bid.
- Pan Orient has a strong financial position at March 31, 2020 with working capital and non-current deposits of \$26.4 million and no long-term debt. In addition, the Thailand Joint Venture has \$5.9 million in working capital and long-term deposits, net to Pan Orient's 50.01% equity interest, and even at the lower current crude oil prices Thailand funds flow from operations are expected to fund the remaining 2020 Thailand exploration and development activities.

## OUTLOOK

### THAILAND

#### Concession L53 Onshore (Pan Orient Energy (Siam) Ltd., in which Pan Orient has 50.01% ownership)

The Company plans to commence the second phase of the drilling program in June, with the exact timing subject to the lifting of the Thailand interprovincial 14 day mandatory quarantine period currently in place. The program will consist of two firm exploration wells and one water disposal well. Two additional appraisal wells at the L53DD field await final government approval anticipated in late June 2020, and will be deferred to the latter part of 2020.

The L53-BB1 exploration well had commenced drilling on February 4, 2020 and suspended February 7th in order to reinforce the L53BB wellpad. This work has been completed and drilling is anticipated to recommence in the next two weeks. The second well in the program will be the L53DW-1 water disposal well with a surface location at the L53DD field. The purpose of this well will be to substantially reduce the approximately \$2,600 per day in water trucking costs (net to Pan Orient's 50.01% interest) from the L53DD field facility.

The third, and last firm well in the program will be the L53AC-E1 exploration well (identified as the West A1-A4 prospect in the February 14, 2020 Company presentation), targeting a prospect 4.7 kilometers north of the producing L53-D field.

### CANADA

#### Corporate

Pan Orient is committed to maintaining a strong cash position during these challenging and uncertain times. The focus for the remainder of 2020 is to complete exploration drilling and development activities in Thailand prior to the "reserved area" exploration lands expiring in January 2021, and to finance these activities with funds flow from operations generated in Thailand.

### COVID-19 CORONAVIRUS

The Company's operations in Thailand have been affected by the worldwide COVID-19 coronavirus pandemic. The Thailand government imposed a state of emergency in late March, giving it wide-ranging powers to address the crisis. Social distancing and personal hygiene were strongly encouraged, and many businesses closed. An overnight curfew was imposed in early April and the government issued a travel ban on all foreigners entering Thailand. These measures have been effective. New confirmed cases of COVID-19 in Thailand peaked at the end of March and early April, followed a week or so later by a peak in deaths. Overall, the infection and death rate has been much lower in Thailand than in most western nations.

Prudent measures have been taken by the Company to help protect the health and safety of staff, which are of paramount importance. The Company and its joint venture partner were fortunate to have completed the first phase of the 2020 Thailand drilling program before the real effects of the pandemic were felt. The second phase of the drilling program was to have commenced in late April but has now been delayed to June, with the exact timing being subject to the lifting of the Thailand interprovincial 14 day mandatory quarantine period currently in place.

The economic effects of the pandemic have been severe. World demand for oil has dropped precipitously and has been exacerbated by excess supply from Saudi Arabia and Russia. In the current environment, no commercial development is expected at Sawn Lake and the Company has recorded a non-cash impairment expense for Sawn Lake.

As detailed earlier in this press release, Pan Orient is well-positioned to withstand these unprecedented events. The Company is optimistic about a slow return to normal operations and less volatile market conditions but the outlook for world oil prices remains challenging.

Pan Orient is a Calgary, Alberta based oil and gas exploration and production company with operations currently located onshore Thailand, Indonesia and in Western Canada.

*This news release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "forecast", "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this news release includes, but is not limited to, references to: renewal, extension or termination of oil concessions and production sharing contracts; other regulatory approvals; well drilling programs and drilling plans; estimates of reserves and potentially recoverable resources; information on future production and project start-ups; expectations as to prices for oil produced and the impact of sales agreements; and sufficiency of financial resources. By their very nature, the forward-looking statements contained in this news release require Pan Orient and its management to make assumptions that may not materialize or that may not be accurate. The forward-looking information contained in this news release is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision of reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, regulatory changes and delays, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, supply, demand and resulting prices for oil and gas, the impact of the COVID-19 coronavirus, other technical and economic factors or revisions and other factors, many of which are beyond the control of Pan Orient. Although Pan Orient believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct.*

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| Financial and Operating Summary                                                               | Three Months Ended<br>March 31, |           | % Change |
|-----------------------------------------------------------------------------------------------|---------------------------------|-----------|----------|
|                                                                                               | 2020                            | 2019      |          |
| (thousands of Canadian dollars except where indicated)                                        |                                 |           |          |
| FINANCIAL                                                                                     |                                 |           |          |
| Financial Statement Results – Excluding 50.01% Interest in Thailand Joint Venture (Note 1)    |                                 |           |          |
| Net loss attributed to common shareholders                                                    | (57,117)                        | (849)     | 6628%    |
| Per share – basic and diluted                                                                 | \$ (1.05)                       | \$ (0.02) | 6628%    |
| Cash flow used in operating activities (Note 2 & 3)                                           | (399)                           | (832)     | -52%     |
| Per share – basic and diluted                                                                 | \$ (0.01)                       | \$ (0.04) | -52%     |
| Cash flow from (used in) investing activities (Note 2 & 3)                                    | 4,202                           | (101)     | -4260%   |
| Per share – basic and diluted                                                                 | \$ 0.08                         | \$ (0.00) | -4260%   |
| Cash flow used in financing activities (Note 2 & 3)                                           | (699)                           | -         |          |
| Per share – basic and diluted                                                                 | \$ (0.01)                       | \$ 0.00   |          |
| Change in cash and cash equivalents from discontinued operations (Note 3)                     | (526)                           | 638       | -182%    |
| Working capital                                                                               | 25,779                          | 30,970    | -17%     |
| Working capital & non-current deposits                                                        | 26,386                          | 31,566    | -16%     |
| Long-term debt                                                                                | -                               | -         |          |
| Shares outstanding (thousands)                                                                | 53,400                          | 54,900    | -3%      |
| Capital Commitments (Note 4)                                                                  | 719                             | 2,068     | -65%     |
| Working Capital and Non-current Deposits                                                      |                                 |           |          |
| Beginning of period – Excluding Thailand Joint Venture                                        | 22,158                          | 33,139    | -33%     |
| Adjusted funds flow from (used in) continued operations (Note 3 & 6)                          | 1,059                           | (1,187)   | -189%    |
| Adjusted funds flow from (used in) discontinued operations (Note 3)                           | (343)                           | 15        | -2387%   |
| Consolidated capital expenditures (Note 7)                                                    | (85)                            | (705)     | -88%     |
| Amounts (advanced to) received from Thailand Joint Venture                                    | (2)                             | 113       | -102%    |
| Dividend received from Thailand Joint Venture                                                 | 4,300                           | -         |          |
| Finance lease payments                                                                        | (121)                           | (26)      | 365%     |
| Normal course issuer bid                                                                      | (689)                           | -         |          |
| Effect of foreign exchange                                                                    | 109                             | 217       | -50%     |
| End of period – Excluding Thailand Joint Venture                                              | 26,386                          | 31,566    | -16%     |
| Pan Orient 50.01% interest in Thailand Joint Venture Working Capital and Non-Current Deposits | 5,862                           | 6,413     | -9%      |
| Economic Results – Including 50.01% Interest in Thailand Joint Venture                        |                                 |           |          |
| Total corporate adjusted funds flow from (used in) operations by region (Note 6)              |                                 |           |          |
| Canada                                                                                        | 1,065                           | (1,179)   | -190%    |
| Thailand (Note 8)                                                                             | (6)                             | (8)       | -25%     |
| From continued operations                                                                     | 1,059                           | (1,187)   | -189%    |
| Indonesia - Discontinued Operations                                                           | (343)                           | 15        | -2387%   |
| Adjusted funds flow from (used in) operations (excl. Thailand Joint Venture)                  | 716                             | (1,172)   | -161%    |
| Share of Thailand Joint Venture (Notes 1 & 5)                                                 | 3,688                           | 2,760     | 34%      |
| Total corporate adjusted funds flow from operations                                           | 4,404                           | 1,588     | 177%     |
| Per share – basic and diluted                                                                 | \$ 0.08                         | \$ 0.03   | 180%     |
| Capital Expenditures - Petroleum and Natural Gas Properties (Note 7)                          |                                 |           |          |
| Canada                                                                                        | 85                              | 124       | -31%     |
| Indonesia - Discontinued Operations                                                           | -                               | 581       | -100%    |
| Consolidated capital expenditures (excl. Thailand Joint Venture)                              | 85                              | 705       | -88%     |
| Share of Thailand Joint Venture capital expenditures                                          | 3,779                           | 2,678     | 41%      |
| Total capital expenditures (incl. Thailand Joint Venture & discontinued ops)                  | 3,864                           | 3,383     | 14%      |
| Investment in Thailand Joint Venture                                                          |                                 |           |          |
| Beginning of period                                                                           | 34,127                          | 34,504    | -1%      |
| Net income from Joint Venture                                                                 | 556                             | 654       | -15%     |
| Other comprehensive gain (loss) from Joint Venture                                            | (176)                           | 135       | -230%    |
| Dividend paid                                                                                 | (4,300)                         | -         | 0%       |
| Amounts (received from) advanced to Joint Venture                                             | 2                               | (113)     | -102%    |
| End of period                                                                                 | 30,209                          | 35,180    | -14%     |

|                                                                                        | Three Months Ended<br>March 31, |          | %      |
|----------------------------------------------------------------------------------------|---------------------------------|----------|--------|
| (thousands of Canadian dollars except where indicated)                                 | 2020                            | 2019     | Change |
| <b>Thailand Operations</b>                                                             |                                 |          |        |
| <b>Economic Results – Including 50.01% Interest in Thailand Joint Venture (Note 5)</b> |                                 |          |        |
| Oil sales (bbls)                                                                       | 107,951                         | 45,601   | 137%   |
| Average daily oil sales (BOPD) by Concession L53                                       | 1,186                           | 507      | 134%   |
| Average oil sales price, before transportation (CDN\$/bbl)                             | \$ 63.63                        | \$ 80.17 | -21%   |
| Reference Price (volume weighted) and differential                                     |                                 |          |        |
| Crude oil (Brent \$US/bbl)                                                             | \$ 48.94                        | \$ 62.24 | -21%   |
| Exchange Rate \$US/\$Cdn                                                               | 1.35                            | 1.37     | -1%    |
| Crude oil (Brent \$Cdn/bbl)                                                            | \$ 66.24                        | \$ 85.25 | -22%   |
| Sale price / Brent reference price                                                     | 96%                             | 94%      | 2%     |
| Adjusted funds flow from (used in) operations (Note 6)                                 |                                 |          |        |
| Crude oil sales                                                                        | 6,869                           | 3,656    | 88%    |
| Government royalty                                                                     | (354)                           | (178)    | 99%    |
| Transportation expense                                                                 | (252)                           | (103)    | 145%   |
| Operating expense                                                                      | (740)                           | (449)    | 65%    |
| Field netback                                                                          | 5,523                           | 2,926    | 89%    |
| General and administrative expense (Note 8)                                            | (239)                           | (196)    | 22%    |
| Foreign exchange gain                                                                  | 6                               | 22       | -73%   |
| Current income tax                                                                     | (1,608)                         | -        | 0%     |
| Thailand – Adjusted funds flow from operations                                         | 3,682                           | 2,752    | 34%    |
| Adjusted funds flow from (used in) operations / barrel (CDN\$/bbl) (Note 6)            |                                 |          |        |
| Crude oil sales                                                                        | \$ 63.63                        | \$ 80.17 | -21%   |
| Government royalty                                                                     | (3.28)                          | (3.90)   | -16%   |
| Transportation expense                                                                 | (2.33)                          | (2.26)   | 3%     |
| Operating expense                                                                      | (6.85)                          | (9.85)   | -30%   |
| Field netback                                                                          | 51.16                           | 64.17    | -20%   |
| General and administrative expense (Note 8)                                            | (2.21)                          | (4.30)   | -48%   |
| Foreign exchange gain                                                                  | 0.06                            | 0.48     | -88%   |
| Current income tax                                                                     | (14.90)                         | -        | 0%     |
| Thailand – Adjusted funds flow from operations                                         | \$ 34.11                        | \$ 60.35 | -43%   |
| Government royalty as percentage of crude oil sales                                    | 5%                              | 5%       | 0%     |
| Income tax & SRB as percentage of crude oil sales                                      | 23%                             | -        | 23%    |
| As percentage of crude oil sales                                                       |                                 |          |        |
| Expenses - transportation, operating, G&A and other                                    | 18%                             | 20%      | -2%    |
| Government royalty, SRB and income tax                                                 | 28%                             | 5%       | 23%    |
| Adjusted funds flow from operations, before interest income                            | 54%                             | 75%      | -22%   |
| Wells drilled                                                                          |                                 |          |        |
| Gross                                                                                  | 4                               | 2        | 100%   |
| Net                                                                                    | 2.0                             | 1.0      | 100%   |
| <b>Financial Statement Presentation</b>                                                |                                 |          |        |
| <b>Results – Excl. 50.01% Interest in Thailand Joint Venture (Note 1)</b>              |                                 |          |        |
| General and administrative expense (Note 8)                                            | (6)                             | (8)      | -25%   |
| Adjusted funds flow used in consolidated operations                                    | (6)                             | (8)      | -25%   |
| Adjusted fund flow Included in Investment in Thailand Joint Venture                    |                                 |          |        |
| Net income from Thailand Joint Venture                                                 | 556                             | 654      | -15%   |
| Add back non-cash items in net income                                                  | 3,132                           | 2,106    | 49%    |
| Adjusted funds flow from Thailand Joint Venture                                        | 3,688                           | 2,760    | 34%    |
| Thailand – Economic adjusted funds flow from operations (Note 5)                       | 3,682                           | 2,752    | 34%    |
| <b>Canada Operations</b>                                                               |                                 |          |        |
| Interest income                                                                        | 109                             | 67       | 63%    |
| General and administrative expenses (Note 8)                                           | (562)                           | (791)    | -29%   |
| Unrealized foreign exchange gain (loss) (Note 9)                                       | 1,518                           | (455)    | -434%  |
| Canada – Adjusted funds flow from (used in) operations                                 | 1,065                           | (1,179)  | -190%  |
| <b>Indonesia - Discontinued Operations</b>                                             |                                 |          |        |
| General and administrative expense (Note 8)                                            | (61)                            | (51)     | 20%    |
| Realized foreign exchange gain (loss)                                                  | (282)                           | 66       | -527%  |
| Indonesia – Adjusted funds flow from (used in) operations                              | (343)                           | 15       | -2387% |

- (1) Pan Orient holds a 50.01% equity interest in Pan Orient Energy (Siam) Ltd. as a joint arrangement where the Company shares joint control with the 49.99% equity interest holder. The resulting joint arrangement is classified as a Joint Venture under IFRS 11 and is accounted for using the equity method of accounting where Pan Orient's 50.01% equity interest in the assets, liabilities, working capital, operations and capital expenditures of Pan Orient Energy (Siam) Ltd. are recorded in Investment in Thailand Joint Venture.
- (2) As set out in the Consolidated Statements of Cash Flows in the unaudited Consolidated Financial Statements of Pan Orient Energy Corp.
- (3) The East Jabung PSC expired in January 2020 and the Company is withdrawing from operations in Indonesia. The operation in Indonesia for accounting purposes going forward is considered a discontinued operation and the amounts presented in 2019 are updated for comparative purposes.
- (4) Refer to Commitments note disclosure of the March 31, 2020 and March 31, 2019 Interim Condensed Consolidated Financial Statements.
- (5) For the purpose of providing more meaningful economic results from operations for Thailand, the amounts presented include 50.01% of results of the Thailand Joint Venture. Pan Orient has a 50.01% ownership interest in Pan Orient Energy (Siam) Ltd., but does not have any direct interest in, or control over, the crude oil reserves, operations or working capital of on-shore Concession L53.
- (6) Total corporate adjusted funds flow from (used in) operations is cash flow from operating activities prior to changes in non-cash working capital, unrealized foreign exchange gain or loss plus the corresponding amount from Pan Orient's 50.01% interest in the Thailand Joint Venture which is recorded in Joint Venture for financial statement purposes. This measure is used by management to analyze operating performance and leverage. Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures of other entities. Adjusted funds flow is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.
- (7) Cost of capital expenditures excluded decommissioning costs and the impact of changes in foreign exchange.
- (8) General & administrative expenses, excluding non-cash accretion on decommissioning provision and lease liabilities. The nominal amount of G&A shown in the three months ended March 31, 2020 and March 31, 2019 for Thailand operations related to G&A of the holding company of Pan Orient Energy (Siam) Ltd.
- (9) Realized and unrealized foreign exchange gain or loss mainly related to the U.S. dollars denominated cash balances held in Canada.
- (10) Tables may not add due to rounding.