

## Extractive Sector Transparency Measures Act - Annual Report

<b>Reporting Entity Name</b>	Pan Orient Energy Corp.					
<b>Reporting Year</b>	<b>From</b>	2019-01-01	<b>To:</b>	2019-12-31	<b>Date submitted</b>	2020-05-14
<b>Reporting Entity ESTMA Identification Number</b>	E256629		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
<b>Other Subsidiaries Included</b> (optional field)						
<b>Not Consolidated</b>						
<b>Not Substituted</b>						
<b>Attestation by Reporting Entity</b>						
<i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i>						
<b>Full Name of Director or Officer of Reporting Entity</b>	William Ostlund			<b>Date</b>	2020-05-14	
<b>Position Title</b>	Chief Financial Officer					



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<b>Reporting Year</b>	<b>From:</b> 2019-01-01	<b>To:</b> 2019-12-31	
<b>Reporting Entity Name</b>	Pan Orient Energy Corp.		<b>Currency of the Report</b> CAD
<b>Reporting Entity ESTMA Identification Number</b>	E256629		
<b>Subsidiary Reporting Entities (if necessary)</b>			

### Payments by Payee

Country	Payee Name <sup>1</sup>	Departments, Agency, etc... within Payee that Received Payments <sup>2</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes <sup>3,4</sup>
Canada -Alberta	Government of Alberta				210,000					210,000	See Note 1 & 4 below
Indonesia	Government of Indonesia	Ministry of Finance	500,000		160,000					660,000	See Note 2 & 4 below
Thailand	Government of Thailand	Department of Mineral Fuels		2,980,000	940,000					3,920,000	See Note 3 & 4 below
Thailand	Government of Thailand	Department of Revenue	4,980,000							4,980,000	See Note 3 & 4 below

**Additional Notes:**

Note 1) Payment related to administration fees for the oil sands sector, surface and mineral lease rentals at the Sawn Lake SAGD project in Canada. Payment were made in CAD.  
 Note 2) Payment related to the 2012, 2013 and 2014 sub-surface tax assesement of \$500,000 and associated penalty of \$160,000 at the East Jabung Production Sharing Contract in Indonesia. Payments were made in Indonesian Rupiah and was converted at 1 CAD to 10,600 IDR based on the exchange rate as the Company's financial year end.  
 Note 3) Consisted of corporate income tax paid, royalties paid on oil revenue and surface reservation fee paid to the Department of Mineral Fuels. The surface reservation fee is a refundable deposit if certain capital spending criteria are met. Payments were made in Thai Baht and was converted at 1 CAD to 22.6963 THB based on the exchange rate as the Company's financial year end.  
 Note 4) All payments are reported in Canadian currency and amounts have been rounded to the nearest CAD \$10,000. If a payment or payment in kind was made in different currency, the Company has converted the amount based on the exchange rate as of the Company's financial year end.

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<b>Reporting Year</b>	<b>From:</b> 2019-01-01	<b>To:</b> 2019-12-31	
<b>Reporting Entity Name</b>	Pan Orient Energy Corp.		<b>Currency of the Report</b> Canadian dollars
<b>Reporting Entity ESTMA Identification Number</b>	E256629		
<b>Subsidiary Reporting Entities (if necessary)</b>			

### Payments by Project

Country	Project Name <sup>1</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes <sup>23</sup>
Canada -Alberta	Sawn Lake SAGD Project			210,000					<b>210,000</b>	
Indonesia	East Jabung PSC	500,000		160,000					<b>660,000</b>	
Thailand	Concession L53	4,980,000	2,980,000	940,000					<b>8,900,000</b>	

<b>Additional Notes<sup>3</sup>:</b>	
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## Note 1 – Financial Reporting Framework

### (a) Basis of accounting:

The Schedule of Payments by Payee and the Schedule of Payments by Project (collectively, the “Schedules”) prepared by Pan Orient Energy Corp. (the “Company”) for the year ended December 31, 2019 has been prepared in accordance with the financial reporting provisions in Section 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractive Sector Transparency Measures Act – Guidance (collectively the “financial reporting framework”).

The Schedules are prepared to provide information to the Directors of Pan Orient Energy Corp. and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the Schedules may not be suitable for another purpose.

### (b) Significant accounting policies:

#### i) Cash basis

The Schedules have been prepared using the cash basis of accounting, as required by the financial reporting framework, and therefore exclude any accruals related to payments due to governments.

The Schedules include all cash payments made, without inclusion of cash inflows from a government. Where the Company makes a payment to a government that is net of credits from that government, the net payment amount has been presented.

#### ii) Projects

The Company has aligned its projects with its cash generating units as determined for financial statement reporting purposes.

#### iii) Operator

The Company has reported all payments made by it, on its own behalf and in its role as operator, directly to the government on a ‘gross’ basis. Amounts paid by third party operators, who are subject to the financial reporting framework, have not been included in the Schedules.

#### iv) Take in kind payments

The Company has valued in-kind payments based on the cost to the Company, consistent with calculations made by the Company for financial reporting purposes. In certain circumstances, where applicable, in-kind payments might be based on other calculation methods to best report the payment values.

#### v) Excluded payments

Certain payments related to the operation of the Company’s head office, payments made to governments for commercial services or payments made to governments which are not related to the commercial extraction of oil and natural gas resources have been excluded from the Schedules, as described in the financial reporting framework.

#### vi) Reporting currency

The Company has reported all payments in Canadian currency. If a payment was made in a different currency, the Company has converted it based on the exchange rate as of the Company’s financial year end.