

# Asset sale by Pan Orient

24 May 2012



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) advises that its joint venture partner in Thailand Concessions L44/43, L33/43 and SW1, Pan Orient Energy Limited (TSX: POE) ("Pan Orient") announced overnight the sale of its 60% interest in these assets.

Pan Orient advised that the consideration for the sale was US\$170 million plus approximately US\$8 million in working capital adjustments.

The consideration for Pan Orient's 60% interest translates into US\$113 million or \$0.16 per share for Carnarvon's 40% interest in these assets. The value is 35% above the Gaffney, Cline & Associates assessed value for 1P reserves of \$84 million net to Carnarvon.

Pan Orient advised that the sale agreement provides for an orderly hand over of technical and field operations over the course of the next six months.

Attached is a copy of Pan Orient's announcement that provides further detail on the transaction.

For this announcement and further information on Carnarvon, please visit the Company's website at: [www.carnarvon.com.au](http://www.carnarvon.com.au)

**For all enquiries please contact:**

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Yours faithfully

A handwritten signature in black ink, appearing to read "Adrian Cook", written over a light blue horizontal line.

**Adrian Cook**  
**Managing Director**  
**Carnarvon Petroleum**



## PAN ORIENT ENERGY CORP.

### Press Release

#### **SALE OF THAILAND CONCESSIONS L44/43, L33/43 AND SW1**

**CALGARY, May 23, 2012**

Pan Orient Energy Corp. ("Pan Orient" or the "Corporation") (POE – TSXV) is pleased to announce that it has entered into an agreement for the sale of its operated 60% interest in Thailand Concessions L44/43, L33/43 and SW1 for a cash price of USD \$170 million plus approximately USD \$8 million for working capital and other adjustments. It is expected that net proceeds after costs and income tax will be approximately USD \$162 million.

Pan Orient's other interests in Thailand, consisting of its operated 100% interest in Concession L53/48, are being retained.

The transaction will be effected through the sale by the Corporation of its subsidiary Pan Orient Energy (Thailand) Ltd. ("POET"), which holds Pan Orient's 60% interest in Concession SW1 in Thailand and, indirectly through POET's subsidiary Pan Orient Resources (Thailand) Ltd., which holds Pan Orient's 60% interest in Concessions L44/43 and L33/43 in Thailand.

The transaction is anticipated to close on approximately June 15, 2012 and will have a December 31, 2011 effective date. A USD \$8.5 million deposit was paid on behalf of the purchaser, to be applied with accrued interest against the purchase price at closing. The sale and purchase agreement contains customary representations, warranties, covenants and indemnities in favor of the purchaser. USD \$3 million will be placed in escrow at closing to support any warranty claims. Closing is subject to certain regulatory and other third party approvals and waivers, as well as other customary closing conditions.

*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 press release contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this press release includes, but is not limited to, references to closing of the sale transaction generally; approximate working capital, other adjustments and net proceeds; anticipated closing date; implied absence of warranty claims; anticipated obtaining of regulatory and other third party approvals and waivers; and general satisfaction of closing conditions. By its very nature, the forward-looking information contained in this press release requires Pan Orient and its management to make assumptions that may not materialize or that may not be accurate. In addition, the forward-looking information contained in this press release is subject to known and unknown risks and uncertainties and other factors, some of which are beyond the control of Pan Orient, which could cause actual results, expectations, achievements or performance to differ materially. Although Pan Orient believes that the expectations reflected in its forward-looking information are reasonable, it can give no assurances that those expectations will prove to be correct. Pan Orient undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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- or -

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