**March 31, 2008**

# PANTHEON RESOURCES PLC

## Interim Results for the 6 months ended 31 December 2007

Pantheon Resources, the AIM-listed oil and gas exploration company active in the Gulf of Mexico, is delighted to announce its interim results for the period ended 31 December 2007.

CEO, Jay Cheatham commented:

*"The last six months of 2007 were exciting times for Pantheon Resources plc ("Pantheon"). Pantheon participated in three discoveries with the two most significant being Wilson and Dunn Deep #2 both coming on stream during the period. As a result, Pantheon's gross working interest ("WI") production rose from 80 thousand cubic feet a day ("mcfd") in the April to June quarter 2007 to 1,100 mcfd average in the October to December quarter 2007. Production in January and February averaged 995 thousand cubic feet a day. In addition, Pantheon raised £900,000 through a placing of 1.5 million shares with institutional investors. These proceeds, along with cash flow from production, provided additional working capital to contribute towards Pantheon's current South Louisiana drilling Programme.*

*With production and revenue imminent, the Board of Directors strengthened the Board with the appointment of John Walmsley as a non-Executive Director, and commenced a formal executive search for a CEO. John brings over 30 years experience in the UK oil and gas sector to his duties as a Board member. In January 2008, I joined the Company as CEO. I started my career as an engineer with Arco in 1969, however my oil and gas experience started from a very early age, as both my father and grand-father were independent oil and gas explorers and producers in Louisiana and Texas. I ended my Arco career as President of Arco International Oil & Gas after several years running the Gulf Coast exploration and production operations.*

*Since I joined the company, Pantheon Resources has had a major disappointment. On February 21 Petro-Hunt LLC ("Petro-Hunt") abandoned the Fay Weil Ross et al #1 well on the Nottoway prospect. This was due to mechanical difficulties after the drill pipe stuck twice before reaching the final objectives. Petro Hunt will conduct a review of this well before making further recommendations.*

*Petro-Hunt has now spudded the State Lease 19255 et al #1 well (the Point Clair prospect) which was part of the original Nottoway Dome farm-in. Point Clair has a best estimate reserve potential of nine million barrels oil equivalent ("mmboe"). The last drilling report had this well drilling below 11,100 feet. Petro-Hunt should reach total depth in early April on a trouble-free basis. Pantheon has a 7.5% WI BPPO ("before project payout") carrying the farmee company for 25% (pro-rata share) until project payout. Pantheon's next high impact well, Bullseye (Pantheon 15% WI), should spud in April. Bullseye will test two zones with a combined best estimate potential reserve of 19 mmboe.*

*Since the start of 2008, Pantheon also elected not to participate in the Manzano Deep project on Padre Island. This was due to an increase in the risk profile and commercial terms compared with other opportunities.*

*On the personnel front Bob Rosenthal decide to stand down as a Board member and technical director. To bolster our technical expertise Pantheon has hired Ledgerock Energy Consulting to provide geologic and geophysical consulting to the company. Dr Ed Duncan is President and Technical Director of Ledgerock. Ed brings 30 years experience in the industry most recently as Vice President Exploration for Swift Energy Company.*

*In closing I want to assure shareholders that your Board is working hard to enhance shareholder value in these volatile market times. We are currently reviewing several high impact opportunities that, if successful, have the opportunity to move Pantheon Resources to another level."*

In accordance with the AIM Rules, the information in this report has been reviewed and signed off Jay Cheatham, who has over 30 years relevant experience within the sector.

For further information on Pantheon Resources plc, see the website at www.pantheonresources.com

## For further information


***Pantheon Resources Plc***

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**Notes to editors:**

**Pantheon Resources plc**

Pantheon Resources plc was formed in 2005 to be an independent gas exploration company focused on hydrocarbon producing basins onshore or near shore the Gulf of Mexico. On 5 April 2006, Pantheon was admitted to the AIM, having successfully raised £10m from a mix of quality institutional and private investors.

**<u>Review of Operations</u>**

**Padre Island**

**Dunn Deep #2 (Pantheon WI 7.5%)**

Production commenced on September 17, 2007. This occurred less than two weeks from confirmation of a natural gas find. Initial gross production from the field was 3 million standard cubic feet of gas per day and 60 barrels a day of condensate, equating to approximately 560 barrels of oil equivalent per day.

Although located on Padre Island, Dunn Deep is separate from the Padre Island Joint Venture. It should also be recognised that Dunn Deep is an appraisal/development of La Playa Mid-Frio Unit #1 ("La Playa Deep"). However Pantheon does not have an interest in La Playa Deep #1. The operator is BNP, a private Texas-based company.

**Wilson (Pantheon WI 31.77%)**

Wilson was declared commercial on June 18, 2007. Production commenced on September 10, 2007. Initial production from the field was 2.5 million standard cubic feet of gas per day , equating to approximately 450 barrels of oil equivalent per day.

Testing of two remaining zones was not completed adequately. This was a result of poor well conditions. The Wilson partners decided that it was better to complete the well for commercial production in the bottom zone rather than persist with testing operations in poor well bore conditions. This strategy had the benefit of avoiding problems further up the well bore. The strong prevailing US gas prices also represented a major incentive to bring the lower Wilson zone into production as soon as possible. Potential reserves in the other zones will be evaluated further in a subsequent appraisal/development well to be drilled following extended production.

**Project Wharton**

The Project Wharton wells generally continue to produce at or above expectations.

Baptist ( Pantheon WI 11.25%)

Baptist #1 encountered natural gas in April 2007 in both its primary and secondary objectives. The Baptist #1 well was drilled to test a large Frio seismic amplitude anomaly revealed by the Shell East Graceland 3D (vintage 1996). It was brought on stream on June 19, 2007.

Caddo (Pantheon 18.75%)

Caddo #1 encountered natural gas in a shallow Frio formation (4,470 feet) in October 2006. It was brought on stream on February 8, 2007. The Caddo #1 discovery is located in an area of mutual interest that covers a large area where six other prospects exist. These target comparable Yegua and Frio anomalies, but Miocene objectives are also present in all of them. The Caddo well was abandoned when production levels dropped and the well became uneconomic to produce.

Mohawk (Pantheon 18.75%)

Mohawk #1 was a discovery in October 2006 and brought onstream on December 1, 2006. Mohawk #1 encountered natural gas in both its primary and secondary Frio objectives.

Zebu (Pantheon 9.375%)

Zebu #1 was a discovery in August 2006 and commenced production on September 29, 2006. Zebu discovered natural gas in two Frio sands. It produced from the deeper secondary zone at around 4,280 feet until December 2007 when this lower zone was depleted. At that time Zebu was recompleted in the main objective at 3,750 feet.

**Nottoway (Pantheon 7.5% WI BPPO)**

The Fay Weil Ross et al #1 well commenced drilling in Iberville Parish, Louisiana in October 2007. The well was scheduled as a 15,498 feet test of the Nottoway Prospect, a geological feature unknown until a new 3D seismic survey was shot in late 2005. The operator is Petro-Hunt, L.L.C. ("Petro-Hunt").

The Nottoway Prospect is located between two existing oil and gas fields, White Castle Dome and Laurel Ridge. Deeper exploration was undertaken on both fields in 2006. New discoveries were made in both White Castle Dome and Laurel Ridge Field in the deeper Oligocene section in 2006. Similar zones are objectives in the Nottoway Prospect.

The well was drilling at 13,894 feet measured depth. Very high pressure was encountered at one of the deeper objectives. While trying to control the well, the drill pipe became stuck in the hole. After consultation, Petro -Hunt LLC, the Operator, elected to come back up the hole, set a cement plug, sidetrack the well and drill to the original objectives. While re-drilling in the sidetrack, the drill pipe became stuck again and Petro-Hunt decided to abandon the well. The well was abandoned for mechanical purposes only.

Pantheon is participating with a 7.5% working interest ("WI"), carrying the farm-out companies for a 25% back-in after project payout ("BIAPPO"). All costs will be recovered by Pantheon prior to back-in by the farm-out partners and no revenues will be received by these companies until Pantheon attains payout.

**CONSOLIDATED INCOME STATEMENT**

**FOR THE PERIOD ENDED 31 DECEMBER 2007**

| | 6 months ended 31 December 2007 (unaudited) £ | 6 months ended 31 December 2006 (unaudited) £ | Year ended 30 June 2007 (audited) £ |
|---|---|---|---|
| Turnover | 171,640 | 6,823 | 23,693 |
| Cost of sales: | | | |
| Production costs | (18,851) | - | (877) |
| Depreciation, depletion and amortisation | (370,302) | - | - |
| Total cost of sales | (389,153) | 6,823 | (877) |
| **Gross (loss)/profit** | (217,513) | 6,823 | 22,816 |
| Administrative expenses: | | | |
| Share based payments | (50,700) | | (487,540) |
| Impairment of intangible assets | (341,860) | (3,260,859) | (4,438,420) |
| Other | (262,823) | (444,240) | (427,679) |
| Total administrative expenses | (655,383) | (3,705,099) | (5,353,639) |
| **Operating loss** | (872,896) | (3,698,276) | (5,330,823) |
| Finance revenue | 12,841 | 149,833 | 235,789 |
| **Loss before taxation** | (860,055) | (3,548,443) | (5,095,034) |
| Taxation | - | - | - |
| **Loss for the period** | (860,055) | (3,548,443) | (5,095,034) |
| Loss per ordinary share – basic and diluted (note 2) | (5.41)p | (22.82)p | (32.76)p |

All of the above amounts are in respect of continuing operations.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2007**

| | Share capital £ | Share premium £ | Retained earnings £ | Currency reserve £ | Equity reserve £ | Total £ |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| At 30 June 2007 | 155,524 | 9,698,748 | (5,434,548) | (234,275) | 649,053 | 4,834,502 |
| Net loss for the period | | - | (860,055) | - | - | (860,055) |
| Foreign currency | - | - | - | 44,894 | - | 44,894 |
| Share based payment | | | - | - | 50,700 | 50,700 |
| Proceeds from issue of shares (note 5) | 15,000 | 885,000 | - | - | - | 900,000 |
| Share issue costs | | (61,313) | - | - | - | (61,313) |
| **At 31 December 2007** | 170,524 | 10,522,435 | (6,294,603) | (189,381) | 699,753 | 4,908,728 |

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2007**

| | 31 December 2007 (unaudited) £ | 31 December 2006 (unaudited) £ | 30 June 2007 (audited) £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible fixed assets (note 3) | 811,190 | 911,074 | 3,792,161 |
| Tangible fixed assets (note 4) | 3,606,247 | 2,077 | 249,566 |
| | 4,417,437 | 913,151 | 4,041,727 |
| **Current assets** | | | |
| Trade and other receivables | 164,356 | 125,253 | 69,049 |
| Cash and cash equivalents | 753,969 | 5,348,887 | 1,447,432 |
| | 918,325 | 5,474,140 | 1,516,481 |
| **Creditors**: amounts falling due within one year | 427,034 | 259,463 | 723,706 |
| **Net current assets** | 491,291 | 5,214,677 | 792,775 |
| **Total assets less liabilities** | 4,908,728 | 6,127,828 | 4,834,502 |
| **Capital and reserves** | | | |
| Called up share capital | 170,524 | 155,524 | 155,524 |
| Share premium account | 10,522,435 | 9,698,748 | 9,698,748 |
| Retained losses | (6,294,603) | (3,887,957) | (5,434,548) |
| Currency reserve | (189,381) | 161,513 | (234,275) |
| Equity reserve | 699,753 | - | 649,053 |
| **Shareholders' funds** | 4,908,728 | 6,127,828 | 4,834,502 |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2007**

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| | 6 months ended 31 December 2007 (unaudited) £ | 6 months ended 31 December 2006 (unaudited) £ | Year ended 30 June 2007 (audited) £ |
|---|---|---|---|
| **Net cash (outflow)/ inflow from operating activities** | (501,667) | (854,302) | (279,631) |
| **Cash flows from investing activities** | | | |
| Interest received | 12,841 | 149,833 | 235,789 |
| Expenditure on tangible fixed assets | (499) | (2,769) | (2,769) |
| Net funds used for other capital expenditure | (1,059,989) | (2,353,574) | (6,536,068) |
| **Net cash inflow from investing activities** | (1,047,647) | (2,206,510) | (6,303,048) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 900,000 | - | - |
| Issue costs | (61,313) | - | - |
| **Net cash inflow from financing activities** | 838,687 | - | - |
| **Net decrease in cash and cash equivalents** | (710,627) | (3,060,812) | (6,582,679) |
| Effect of foreign currency translation reserve | 17,164 | - | (379,588) |
| Cash and cash equivalents at the beginning of the period | 1,447,432 | 8,409,699 | 8,409,699 |
| **Cash and cash equivalents at the end of the period** | 753,969 | 5,348,887 | 1,447,432 |

**RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

| | 6 months ended 31 December 2007 (unaudited) £ | 6 months ended 31 December 2006 (unaudited) £ | Year ended 30 June 2007 (audited) £ |
|---|---|---|---|
| Operating loss | (872,896) | (3,698,276) | (5,330,823) |
| Impairment | 341,860 | 3,264,552 | 4,438,420 |
| Depreciation | 370,648 | 692 | 22,027 |
| Cost of issuing share options | 50,700 | - | 487,540 |
| Decrease/(increase) in trade and other receivables | (95,307) | (15,348) | 40,858 |
| Increase/(decrease) in creditors | (296,672) | (405,922) | 62,347 |
| | (501,667) | (854,302) | (279,631) |